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FEATURED IN THIS ISSUE:

The Small Group and Public Administration, by Robert T. Golembiewski

To Forge a Strategy for Survival, by Henry M. Jackson

Administrative Dangers in the Enlarged Highway Program, by James W. Martin

SUMMER 1959

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in this number

Lawrence E. Chermak has given his time about equally to private business and public service as both accountant and attorney. Now counsel to the comptroller of the Navy, he has served in the Office of the General Counsel for over ten years, as a counsel in the Federal Works Agency for more than two, and as a Navy auditor and counsel for another two years. He also has practiced law and accounting in New York City.

Alfred Diamant has explored French government in several articles and in a section of the Indiana University volume, *Toward a Comparative Study of Public Administration*. A forthcoming book looks at *Austrian Catholics and the First Republic, 1918-1934*. He has been visiting associate professor of political science at Yale University during the past year, returning this fall to the University of Florida.

Robert T. Golembiewski has drawn this article from his Ph.D. thesis, scheduled for publication as *The Small Group, Public Administration, and Organization*. An instructor at Princeton University, he has published in *Western Political Quarterly* and soon will publish in the Inter-University Case Program series and in the *Midwestern Journal of Political Science*.

Henry M. Jackson, for seven years the junior senator from Washington, was elected to Congress nineteen years ago at 28. He is a charter member of the Joint Committee on Atomic Energy and earned the praise of the *Bulletin of the Atomic Scientists* as "perhaps . . . better informed on the facts of missile development [and] more deeply concerned about their meaning" than any other civilian leader. *Liberty* magazine called him one of the ten top House members in 1952.

Morton Kroll, acting associate professor of political science, University of Washington, directed a two-year study of library services and facilities in the Pacific Northwest, to be published soon. Earlier he taught at Wayne State University.

John D. Lange has been in the housing field for eighteen years in federal and local government, in private industry, and now as executive director of The National Association of Housing and Redevelopment Officials. He was consultant on Los

Alamos community operations and director of management for the builders of Park Forest, Illinois. Earlier, he held several management positions in the Public Housing Administration, was assistant community manager of Greendale, Wisconsin (one of the Greenbelt towns), and city manager of Palm Springs, California.

Harvey C. Mansfield is managing editor of the *American Political Science Review* as well as chairman of the political science department at Ohio State University. For five years he held administrative positions in the Office of Price Administration. He has been a consultant to several federal agencies and commissions and to study groups on the organization and management of Connecticut and New York City.

James W. Martin this year was awarded the Governor's Medallion for recent work as Kentucky commissioner of highways and of finance and earlier service (1935-39) as chief of staff of the Reorganization Commission and as revenue commissioner. He now has returned to the University of Kentucky where he has been professor of economics since 1928 and also heads the Bureau of Business Research. Mr. Martin has been a consultant to several federal agencies, state and city governments, the Turkish government, and private business.

Kent Mathewson has been city manager of Salem, Oregon since 1956, winning national attention for the Massive Cooperation program he outlined for the city, its two encompassing counties, the state, and school district. Earlier he was manager of Martinsville, Virginia and Asheboro, North Carolina; assistant to the manager of San Diego and Durham, North Carolina; personnel director of the Veterans Administration Richmond office and personnel consultant in the War Department.

Albert H. Rosenthal has devoted twenty-two years to public administration—in the Department of Health, Education, and Welfare, its predecessor and its subunits, the Department of State, and the University of Denver where he was director of the School of Public Administration from 1948-51. He is now regional director of HEW in Denver where he has won the Federal Business Association Honor Award and a Rockefeller Public Service Award.

The Small Group and Public Administration¹

By ROBERT T. GOLEMBIEWSKI

*Instructor, Department of Politics
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OUTSTANDING even among the bullish research upturns in the social sciences has been the attention devoted to the small group. This emphasis does not reflect a passing scholarly fancy. There has been sufficient research progress and sufficient demonstration that striking changes can be wrought in group achievement to warrant continued attention to the way people behave in small groups.² One graphic example is illustrated on the following page (Figure 1). It records the average hourly production of a group of workers allowed to come to their own decisions about work goals and processes (top line), compared to other workers in the plant who were exhorted by management to increase output (lower line).

To permit detailed descriptions of such cases of small group change, much recent study has been devoted to the relations of persons in *ad hoc* groups in social laboratories. Such work does not yet permit the construction of a theory which allows us to understand small groups, that is, to predict their behavior and prescribe for their ills. For theory development requires the ability to identify for small groups the characteristics most relevant to their behavior and it also requires the ability to measure differences in these characteristics. Now only a few characteristics have been iso-

► Results of small-group research, while not sufficient to found a complete theory, have contributed extensively to our understanding of small groups and of informal relationships in larger organizations. Since the administrator is part of many small groups and is responsible for many more, these findings are directly applicable to his job. We now know with some certainty, for example, that leadership is not a single personality trait of a particular individual but is a set of functions related to a particular situation and is a different set in different situations. We know that the same type of leadership elicits different responses from different personalities, and we have some measurements to predict these differences. We know that groups tend to be more stable and happy (though not necessarily more productive) when group members look to the formally-designated leaders for direction rather than to persons who are not their formal supervisors. In addition, we have learned about the effects on group action of such characteristics as cohesiveness and compatibility, and of the pervasiveness and impact of group norms.

lated. Thus research results are fragmentary and may even be inaccurate. Furthermore, several different measurement techniques have been used to study most group characteristics. Thus comparability of the studies made is uncertain.

Nevertheless, a research base has been constructed and some insights can be offered the administrator about small group behavior and significant ways in which groups differ. The administrator of course must be concerned about small groups since any organization contains many. Moreover, the administrator is directly involved with several of them. The concept of informal organization, now familiar to many administrators, also is being illumined by small-group studies.

What we are learning about the properties

¹ This article is based upon the author's 1958 doctoral dissertation at Yale University, *The Small Group, Public Administration, and Organization: An Analysis of Small Group Research Concepts and Operations*.

² For a summary of a wide variety of such descriptive studies, see Muzafer Sherif and Carolyn Sherif, *Groups In Harmony and Tension: An Integration of Studies On Intergroup Relations* (Harper and Brothers, 1953).

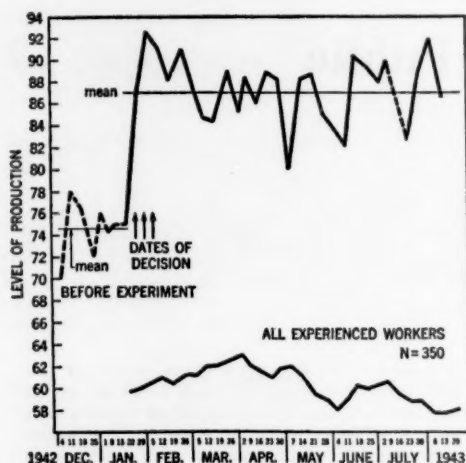


Figure 1. The Effects of "Group Decision Making" versus Management Exhortation in Increasing Production³

of small groups might be classified in three categories:

1. group structure, i.e., the way members generally are related to each other—as by rank or personal affinity or specific job assignment.
2. group style, e.g., the values the group gives to the different functions of leadership.
3. individual member characteristics as related to group performance.

Group Structure

Studies have revealed the strong tendency for groups to develop structural characteristics such as an internal communications system and a "pecking order." Especial attention has been focused upon the important structural characteristic, leadership. Several useful operations for identifying individuals ranked high on leadership have been developed. Moreover, research has demonstrated the im-

³ The figure is reproduced from Kurt Lewin, "Group Decision and Social Change," in Theodore M. Newcomb and Eugene L. Hartley, editors, *Readings In Social Psychology* (Holt, 1947), p. 343. The job in question had been set by time and motion analysis. Sixty units per hour were considered standard and seventy-five units per hour were considered the job ceiling. The "group decision-making" work unit was able to surpass this ceiling—around which it had produced—and sustain the higher level of production. The increase is more striking than a similar increase by lower productivity workers.

portant influence of leaders on the group, particularly on its internal communication, as well as their importance as representatives of the group to the outside.

These structural characteristics are relevant to administration. Formal organization prescribes a hierarchy of authority and channels of communication, but the psychological unity of the small group cuts across the boundaries of the formal system of organization and procedures. Moreover, the group tries to stabilize its environment. The group thus exerts a continuing pressure on methods, on the degree of formal delegation to it, and on attempts to control it.

Uses in research and administration are obvious. Thus students like the sociologists Selznick and Blau have attempted the general description of organizations through the interaction of these alternative structures of authority and communication—the formal organization and the small groups within it. Moreover, the successful administrator who has learned to use informal relationships among his subordinates as communication channels (who might, in fact, even develop such channels) will find research attempts to identify both small-group leaders and information pathways a potentially important applied product. Informal rankings (i.e., the way group members would rank each other as opposed to the official rank) have proven extremely important in administration. There is substantial evidence, for example, that instability in informal rankings and/or sharp differences in formal and informal rankings are major causes of group friction and low productivity. Data on informal leaders that have been sifted out of small group studies could be considered, then, in selecting supervisors (with formal authority) who also would have actual (informal) authority. This would contribute to gearing into the organization's purposes⁴ the small group's potential for controlling its own behavior.

⁴ The idea is not novel. Experiments along these lines were performed with successful results in the military. See, for example, Robert J. Wherry and Douglas H. Fryer, "Buddy Ratings: Popularity Contest or Leadership Criteria?," 12 *Sociometry* 179-90 (February-August, 1949). A specific applied experiment compared self-chosen construction work teams with those chosen by supervisors. Self-chosen teams proved more effective as measured by four criteria—job satisfaction, turnover rate, an index of labor cost, and an

Study of structure properties has also had important broader consequences for research and practice in administration. Primarily, such work has diverted effort from the search for the supposedly universal "traits of leaders." Small group studies were unsuccessful in isolating such general traits. We therefore no longer think of leadership as a bundle of personality traits in a particular individual but rather as a *function*, and as a function whose specific characteristics vary from situation to situation.

These are subtle but pervasive changes in our understanding. The emphasis on small group leadership as a function has precipitated a search for broad classes of leadership behavior. Sophisticated statistical techniques have isolated three broad functions of leadership from a wide range of specific actions of persons labelled leaders by members and observers of small groups: "group task facilitation," "sociability," "individual prominence."⁵ Such findings increase our understanding of groups. For example, in conferences and on railroad work gangs, the failure of the formal superior to perform one or more of the three leadership functions was a precondition to the development of informal leaders.⁶ Such findings, also, have potentially important applied uses. These three functions of leadership thus might comprise the skeleton of a check list of actions to be performed by formally-designated superiors intent on being informal leaders as well.

The fact that groups value the performance of the three leadership functions in different

degrees also emphasizes the situational nature of leadership. This bare finding contributes to research and practice in administration, for the contrary emphasis—that the same leadership traits are transferable to all situations—has long been current. The new problem is: What are the relevant differences between situations? In group situations, one of the differences isolated was the structural characteristic "cohesiveness." Cohesiveness is conceived as the resultant of the forces to remain in a group and those to leave it. Investigations of cohesiveness, then, attempt to estimate the "social gravitational field" of the small group. The conception has proved strategic for research and application. For example, the degree of group influence on members varies with cohesiveness. This means that highly cohesive groups find it possible to maintain higher (or lower) levels of productivity than groups of lower cohesiveness in the same situations. (Differences tend to be statistically significant.) This curvilinear relationship has been observed in *ad hoc* laboratory groups, work units in a manufacturing plant, and conference groups.⁷ Thus the situationally-oriented research on cohesiveness taps a vital area unknown to traditional organization theory. Cohesiveness research promises to improve the judgments of administrators and researchers about small groups, both by increasing the accuracy and scope of predictions based upon cohesiveness and also by reducing the possibility of inconsistent observations of the same group by different persons.

Style Properties

Since findings consistently show that small groups weigh the performance of the three major functions of leadership differently, the reasons that different weights are given these functions are as important as the group's structural properties. This is often overlooked. Thus predictions have been made that productivity in a work situation will be higher in those cases in which the formal supervisor also is ranked highest on informal leadership. But this does not always appear true.⁸ An approxi-

index of material cost. Raymond H. Van Zelst, "Validation of a Sociometric Regrouping Procedure," 47 *Journal of Abnormal and Social Psychology* 299-301 (April, 1952). See also the section on style properties in this article, however.

⁵ Group task facilitation has been described in terms of behavior such as "enforces operating procedures"; sociability in terms such as "socially acceptable to group members and sensitive to what goes on in the group"; and individual prominence in terms such as "forceful" and "quick to take the lead." Relevant studies have developed elaborate systems for observing and classifying such behavior. Administrative case studies have yet to provide the basis for such an analytical step beyond the well-documented findings that formally-designated authorities are not the only elements in policy-making.

⁶ Consult, for example, Walter H. Crockett, "Emergent Leadership In Small, Decision-Making Groups," 51 *Journal of Abnormal and Social Psychology* 378-83 (November, 1955).

⁷ An interesting relevant study is provided by Stanley E. Seashore, *Group Cohesiveness in the Industrial Work Group* (Survey Research Center, University of Michigan, 1954).

⁸ A study of the congruence of informal rank (set by the group) and formal rank in flight crews isolated

mate explanation may be outlined. One work unit, as a matter of style, may emphasize sociability in bestowing informal leadership and may undervalue task facilitation. In that situation, the formal superior who succeeds also in being the informal leader would not be likely to achieve high production. Contrarily, units with high production records would probably emphasize the "task facilitation" function in according informal leadership. In the same way, it is necessary to know the group's "style" to predict its productivity from a measure of its cohesiveness. The implied warning is a general one for small group analysis: predictions based upon a single property are suspect because of the possible important influence of unspecified properties.

Group norms are an important property of small group style. "Norm" has several incompletely overlapping meanings, but in general it refers to ways of looking at reality and of behaving that are shared by group members. Norms are reflected in production curves that constantly remain flat, reflecting informal restrictions on output, or, if the administrator is fortunate, in steadily increasing production.⁹ But these are only the more obvious reflections of norms. There is significant evidence that much organization behavior reflects the influence of small norms in more subtle but no less substantial ways.¹⁰

such a general pattern. The study concluded that the crews under study behaved in an increasingly harmonious, trusting, and cooperative manner as crew status congruency increased. Technical productivity, however, first showed improvement, then underwent some deterioration as congruency moved from minimum to maximum. Two reasons were offered: with increasing congruency, formal crew leaders become more considerate and thus lose willingness to organize and structure activity; and high congruency is associated with the close integration of the crew which provides security against the pressures of the larger organization, hence, fear of external authority is lessened. Stuart Adams, "Status Congruency As A Variable In Small Group Performance," 32 *Social Forces* 18, 19, 21 (October, 1953).

⁹ The Bank Wiring Test Room and the Relay Assembly Test Room experiments, respectively, illustrate these norm directions in the well-known Hawthorne studies. See Fritz J. Roethlisberger and William J. Dickson, *Management and the Worker* (Harvard University Press, 1939).

¹⁰ Peter M. Blau, *The Dynamics of Bureaucracy: A Study of Interpersonal Relations In Two Government Agencies* (University of Chicago Press, 1955), for example, discusses the impact of informal norms about bribery which were contrary to agency policy.

Small-group analysis provides such important insights into the development and influence of norms as:

1. Norm formation is a very common phenomenon in small groups. It occurs even in experimental groups brought together for a very brief time.¹¹

2. Group norms often are the standards for behavior evaluation, even when contradictory norms are prescribed by a formal organization or by "society." Thus it was found that a criminal gang¹²

not only has its own code which governs the conduct of its members, but it even goes so far as to impose it upon outside society . . . in terrorizing witnesses and in exacting the death penalties upon them and upon members of the gang who are suspected of having given information to the police . . . [This] shows how a closely knit group develops its own standards and is outraged and puzzled by the attempts to deal with them according to law.

3. The small-group member is not necessarily aware that his behavior is influenced by group norms. Nor are the controlling norms always explicit.

4. The importance of norms to small groups is reflected in the sanctions which they mobilize against violators. Thus the "binging" reported in the Hawthorne studies was a form of physical punishment for norm violations. Such sanctions have been observed not only in natural state small groups, but also in *ad hoc* groups assembled for research.

5. As expected, the degree of norm influence on behavior is a direct function of cohesiveness, indicating both the importance of cohesiveness and the interrelation of structure and style properties.

The importance of norms for the small

¹¹ The classic study is that of Sherif with autokinesis. He demonstrated that individuals tended to converge toward a norm-like shared estimate of the distance that a light in a dark room moved during brief exposures. These estimates tended to be the basis of estimates later made by individuals in an "alone" situation. The light in the experiment does not move, although it seems to do so. The unstructured situation seems to induce group development, albeit for limited purposes only. M. Sherif, "A Study of Some Social Factors In Perception," 28 *Archives of Psychology* No. 187 (1935).

¹² J. Landesco, *Organized Crime In Chicago*, Part 3 in the Illinois Association for Criminal Justice, *Illinois Crime Survey* (Blakely, 1929), p. 1055.

group is plausibly explained. They seem to be related to two important general classes of human needs: (1) some basis for evaluating opinions and abilities; (2) a sense of intimate belonging. The small group is a convenient but not exclusive medium for providing such need satisfaction. It offers the individual the warmth of friendship, the nod of approval, and the strength of reinforcement. These constitute sufficient motives for norm observance. Moreover, small groups often stabilize the environment in ways beyond the capacity of single individuals, as in maintaining output limits. The starch of this stability is the inviolability of small group norms. Thus norm violations threaten the small group as a system for the provision of member satisfactions.

This does not do justice to norm research, but it does suggest the importance of norms in administration. For norms are the gateways (or the roadblocks) to the attainment of organization objectives. Both students and practitioners of administration thus must recognize and respect norms. In a prescriptive sense, organizers of human effort have an even greater stake in such research. For they are daily engaged in inducing norms that are consistent, and/or in changing norms that are inconsistent, with formal organization demands. Existing research on small group norms, which has experimentally tested some of the suggestions of the early descriptive literature on the group, provides some basis for understanding and controlling norms relevant to administration.

A second line of research on group style characteristics—on small group atmosphere—also has important implications for administration. This research derives from the experiments of Lewin, Lippitt, and White on the effects on children's behavior of such styles of adult supervision as "authoritarian" and "democratic."¹³ In general, the authoritarian supervisor emphasized unilateral decision-making by self and obedience by the children; the democratic supervisor emphasized collective decision-making. The dramatic impact of supervisory style and group atmosphere on member behavior was demonstrated by shift-

ing individuals between groups; and the effects of supervisory behavior on group atmosphere were demonstrated by periodic supervisory style changes. Groups with democratic atmospheres tended to perform effectively and to be cooperatively task-oriented even when the adult supervisor was absent. Authoritarian groups, however, tended to disintegrate in the absence of the supervisor and to engage in non-task and especially aggressive behavior.

The findings have tenable explanations. Permissive may be compared to authoritarian supervisory style in terms of the wide or narrow distribution of leadership functions. In permissive situations, then, groups are more likely to develop and enforce work norms. In authoritarian situations, the supervisor might exercise significant control over group members under certain conditions, e.g., physical presence. The development of group-centered influence, however, might be inhibited by the supervisor's attempts to perform all leadership functions. In other cases, such attempts might induce the development of a group, but existing research suggests that it often would be a group mobilized in opposition to the supervisor.¹⁴

Research with permissive and authoritarian styles of supervision also tends to verify such findings. Under permissive supervision, therapy for the mentally disturbed was more effective; productivity and/or participant satisfaction was greater in research laboratories, in clerical divisions, and in college classrooms; and so on.¹⁵ But only the tendency has been demonstrated, for there also are opposed results. This is expected. In the first place, permissive supervisory style may encourage group norm formation more than an authoritarian

¹³ The difference, in essence, is between a cohesiveness based on member-to-member attachments and one based on member-to-leader attachments. Interest in the group as a locus of control has been great for at least two reasons related to this difference. First, more or less constant surveillance of the members of even small work units is difficult, even if the supervisor has no other responsibilities. Second, the personality talents necessary to exert leader-to-member control without negative reactions are probably rare. This is especially the case in the absence of a strong generalized respect for formal authority.

¹⁴ See, especially, Howard Baumgartel, "Leadership Style As A Variable In Research Administration," *Administrative Science Quarterly* 344-60 (December, 1957).

¹⁵ For a convenient summary, see Ralph White and Ronald Lippitt, "Leader Behavior and Member Reaction In Three 'Social Climates,'" in Dorwin Cartwright and Alvin Zander, eds., *Group Dynamics: Research and Theory* (Row, Peterson, 1953), pp. 585-611.

style. But the norms need not be consistent with such external expectations as higher therapy effectiveness or higher productivity. Group pressure might be mobilized in a contrary direction. Moreover, the mixed results may be due to differences in supervisory techniques (generally unspecified), in the tasks performed, or in the types of persons in the group.

Despite the gaps, research on small group style is administratively relevant. Style differences, however, are often overlooked. For example, it seems likely that the neglect of style properties of a task unit limits the usefulness of typical job analyses and typical methods of personnel selection at all levels. Moreover, organization theory and (probably to a lesser extent) practice are analogous to the authoritarian style. This probably induces much non-productivity in the many situations in which task units have formal supervisors. Existing small group results suggest that a re-evaluation of prescription and practice is advisable,¹⁶ at least for small units.

Individual Member Characteristics

Differences in the characteristics of individual members (i.e., the properties of group members as opposed to the style and structure of the group as a whole) also explain why no direct relation need exist between group style and such external measures as high productivity or even such internal measures as participant satisfaction. Thus in the Lewin experiments, most children preferred the permissive condition. But as one child, perhaps significantly the son of an army officer, noted: "[The authoritarian supervisor] was best . . . [he] was strictest and I liked that a lot . . . he decided what we were to do." This interaction of population and style properties is illustrated by an experiment with college students using the "Twenty Questions" parlor game.¹⁷ By asking questions of a moderator, the subjects attempted within a time limit to identify

unknown items without any information beyond the fact that the item is an animal, vegetable, or mineral. The pattern of results may be briefly suggested.

Table I
Group Performance Under Varying Atmosphere and Intelligence Composition

Condition	Efficiency Criterion	
	Questions Per Problem	Per Cent Problems Solved
Permissive Atmosphere—		
Bright Subjects	15.5	100.0
Authoritarian—Bright	18.5	87.5
Authoritarian—Dull	24.5	75.0
Permissive—Dull	31.0	37.5

Roughly, there is consistent evidence of the greater efficiency of the bright children under permissive conditions and of the dull under authoritarian conditions.¹⁸ The moral of the illustration is patent: population as well as group structure and style properties must be specified in small group analysis.

Work with population properties, in general, has advanced less than research with small group structure and style properties. Two lines of investigation, however, do give promise of substantial analytical and applied payoffs: study of the personality characteristic, authoritarianism, and the compatibility of the personalities of members of small groups.

There has been considerable recent study of the authoritarian personality, the inflexible, anxiety-ridden, impulsive conformist who must wield authority and/or surrender to an authority figure. Existing measures of authoritarianism leave room for improvement.¹⁹ Significantly, however, when extreme scorers on

¹⁶ For some of the reworking of traditional organization concepts precipitated by such work, see the interesting recent article by Morris Janowitz, "Changing Patterns of Organizational Authority: The Military Establishment," 3 *Administrative Science Quarterly* 473-93 (March, 1959).

¹⁷ Allen D. Calvin, Frederick K. Hoffman, and Edgar L. Harden, "The Effect of Intelligence and Social Atmosphere On Group Problem Solving Behavior," 45 *Journal of Social Psychology* 61-74 (February, 1957).

¹⁸ The relationships showed up prominently even though problem difficulty was not controlled. Differences between the bright subjects and the dull ones are predictably greatest on complex problems. The dulls might be more efficient than brights on simple problems because of a higher boredom effect among the brights. Existing work suggests that adequate description of the characteristics of tasks will require a great deal of research. This work is of relevance to personnel administration. See, generally, Research and Development Board, *Symposium On Techniques For the Measurement of Group Performance* (Panel On Human Relations and Morale, Committee On Human Resources, Department of Defense, 1952).

¹⁹ Richard Christie and Marie Jahoda, eds., *Studies In the Scope and Method of "The Authoritarian Personality"* (Free Press, 1954).

an authoritarianism measure were used to compose two sets of experimental groups (one of high scorers on the test, the other of low scorers), two distinct group atmospheres developed.²⁰ Thus groups of high authoritarianism scorers, compared to low scorers, were more aggressive, more concerned with status and striving for individual prominence, less apt to develop warm interpersonal relations, and less effective (according to observers) on cooperative problem solving. The individuals designated by participants in high authoritarian groups as best performers of leadership functions had different behavior styles than those designated by the low authoritarian groups. Designated leaders in high authoritarian groups were more interested in monopolizing the performance of leadership behaviors, less sensitive to others, less friendly, and so on.

The social engineering implications of work with population properties has been carried further by Schutz,²¹ who underscores the importance of population properties in small group studies. Schutz composed compatible and incompatible groups using measures of intelligence and of three other population properties—dependence on authority symbols, personalness, and assertiveness. A compatible group—to illustrate with a single criterion—had members all ranked high on personalness while an incompatible group had some members ranked high and some low on personalness. Schutz held that “the dominant reason for a group’s productivity depends on the extent to which the members can get along together.” Schutz’ general success in verifying hypotheses derived from this major premise and from the manipulation of group population properties suggests the utility of the approach. Thus, as predicted, compatible groups tended to be more productive on cooperative tasks, their member satisfaction was higher, and they were rated significantly higher on a

generalized “goodness” criterion by both members and observers. It was also possible to predict leadership and personal liking choices from a knowledge of member personalities. However, Schutz neglects style differences. For a compatible group would seem more able to enforce low as well as high productivity, even though the compatible groups studied by Schutz all seemed to be high producers.

It is premature to judge the utility of either the authoritarianism or compatibility approach to population properties. Moreover, there are formidable research obstacles to such work.²² But the research has a patent relevance for administration. In the field of personnel administration, for example, such work indicates that physiological and intellectual population measures are necessary—but not sufficient—to understand and prescribe patterns of human relations in organizations. Moreover, traditional methods of promotion also cause significant productivity losses by failing to suit the personality of supervisors to task unit members. Thus the opportunity of reinforcing formal authority with informal sanctions often is lost.²³

²⁰ One of the research difficulties—a significant finding in itself—is that probably four-fifths or more of the individuals tested are not extreme scorers on any personality property. That is, individuals have wide “response repertoires.” Such repertoires are rank-orders of the probabilities that various behaviors will occur. Thus authoritarian behavior by an individual may have a low probability. But many individuals have such behaviors in their repertoire and may invoke them when the situation warrants. This makes prediction difficult. For some interesting evidence, see Leonard Berkowitz, “Personality and Group Position,” 19 *Sociometry* 210-22 (December, 1956).

The fact that individuals are behaviorally flexible, however, does not eliminate the importance of such style properties as group atmosphere. For group style determines for many people the specific behaviors which will be activated from their response repertoires. If group style elicits behaviors which are low-probability behaviors in the individual’s response repertoire, however, negative tensions are likely to be mobilized in the individual. Findings indicating that many individuals prefer permissive atmospheres are thus very important for personnel administration. For organization theory and practice often tend toward inducing a directive atmosphere.

²² The point is important because superiors and subordinates tend to use different ranking criteria, e.g., “standard operating procedures” versus “social consideration.” Provision for such differences is made, for example, in Hypothesis I in Milton Mandell, “Hy-

²¹ William Haythorn, Arthur Couch, Peter Langham, and Launor F. Carter, “The Behavior of Authoritarian and Equalitarian Personalities in Groups,” 9 *Human Relations* 57-74 (February, 1956); and Haythorn, Couch, Donald Haefner, Langham, and Carter, “The Effects of Varying Combination of Authoritarian and Equalitarian Leaders and Followers,” 53 *Journal of Abnormal and Social Psychology* 210-19 (September, 1956).

²³ William C. Schutz, “What Makes Groups Productive?” 8 *Human Relations* 429-66 (No. 4, 1955).

Research-wise, then, population properties cannot be neglected. Application-wise, the work with population properties in small group analysis is one of the lines of effort which promises to conserve productive energies now dissipated because of our imprecise knowledge.

Future Research and Application

Handsome dividends have accrued from small group research and it is reasonable to expect greater future returns. Perhaps more important is the transferability of the method of study to other branches of social science. The relationship is not necessarily one-way. Thus students and practitioners of public administration familiar with the approach can contribute to research by describing the structural, style, and population characteristics of groups with which they work, comparing different groups in these terms, and even arranging groups in such a way as to test hypotheses.

But group study is no panacea. Primarily, this review should suggest the enormous efforts necessary to insure, in Gulick's words, that in "the next decade, nothing, nothing must take second place to our effort to understand the patterns of human awareness and

potheses On Administrative Selection," 19 *Public Administration Review* 13 (Winter, 1959).

Moreover, high work unit performance often has been related to the degree to which a formal superior meets the criteria of his subordinates. See, for example, Cecil A. Gibb, "Leadership," in Gardner Lindzey, ed., *Handbook of Social Psychology* (Addison-Wesley Publishing Co., 1954), Vol. II, pp. 892-93. Consistent with the discussion above, however, a curvilinear relation probably exists between the fit of supervisor characteristics and subordinate ranking criteria and productivity. In a psychological group, such ranking criteria will be group norms. Supervisory failure to fit them, then, will induce negative group sanctions and thus significant loss of productive energies.

how men who are working together in teams can find release for their energies."²⁴ Properties in all three small group categories must be specified more definitely for useful description and for prediction. Moreover, there are also important value questions associated with the use of the results of small group analysis, questions which become more pressing as knowledge advances. (Experience with scientific management, which seemed to its early enthusiasts to be free of values but is in fact fraught with value questions, should have made the point.) Further, the results of small group analysis are not applicable to public administration as a whole. Small groups may not be miniatures of larger and more complex organizations,²⁵ for example. In fact, findings of the physical and life sciences suggest that it is necessary to study levels of organization (e.g., atoms, molecules, mass) as well as level integration (e.g., the concept of valence and the combination of atoms into molecules).²⁶ Laws applicable at one level of organization are not sufficient to account for occurrences at other levels of organization of a class of phenomena. At least temporarily, then, extensions of small group results ought to be made with caution. Finally, one can almost hear the first anguished cry of protest by an operating official that the agency small group analyst is limiting his program control.

²⁴ Luther Gulick, "Next Steps In Public Administration," 15 *Public Administration Review* 76 (Spring, 1955).

²⁵ Nicholas J. Demerath and John W. Thibaut, "Small Groups and Administrative Organizations," 1 *Administrative Science Quarterly* 139-54 (September, 1956), however, have argued that small groups are usefully considered as "miniatures" of large organizations.

²⁶ Alex B. Novikoff, "The Concept of Integrative Levels In Biology," 101 *Science* 209-15 (March 2, 1945).

What Is the Effect of Clothes on Bureaucratic Attitudes and Impact?

At the Ordnance offices at Chilwell, Nottinghamshire . . . young civil servants are arriving at the office in jeans, sweaters and T-shirts. There is no sign of the traditional pin-stripe trousers, blackcoat, bowler and umbrella. The older workers are so upset that they plan to ask . . . the Civil Services' Clerical Association to lay down a code of dress. One of them, who has been a civil servant for 18 years, said yesterday: "We have a certain dignity to maintain. It makes me shudder when I see some of the juniors arriving at the office in their gaudy outfits. We've told them of the embarrassment they are causing us, but they couldn't care less."

—*Malay Mail*, June 23, 1959

To Forge a Strategy for Survival

By HENRY M. JACKSON

United States Senator from Washington

THE central issue of our time is this: Can a free society so organize its human and material resources as to outperform totalitarianism? Can a free people continue to identify new problems in the world and in space—and respond, in time, with new ideas? The answer to these two questions is now in doubt.

Only one out of every sixteen people in the world is an American. We occupy only 7 per cent of the earth's land. Yet we carry the major burden of creating a world environment in which the democratic experiment can survive and prosper.

If we do what we ought to do militarily, we may not have a shooting war. In that case, the decisive struggle of our time will be fought on the battleground of the cold war. And that is precisely the battleground where Premier Khrushchev thinks he can beat us, plans to beat us, and will beat us unless we get to work. By outperforming us in one field after another, the Communists plan to demonstrate that their system represents the inevitable wave of the future, and that our friends and allies have no realistic alternative except to join forces with them.

Our own power as against that of the Communist bloc is in decline. We are losing ground in one field after another—military power, economic strength, scientific capability, political influence, and psychological impact. The results of a continuation of this decline can be predicted with almost mathematical accuracy. The combination of growing Communist power and weakening American power will produce a chain reaction of defeats for the free world. Finally, as the culmination of retreat after retreat after retreat, we will stand at bay—isolated and desperate.

There is no lack of good ideas as to what we have to do to reverse the tide of events.

► Senator Jackson's analysis of our national policy-making machinery and his proposals for its reorganization "created something of a sensation," according to Professor Hans J. Morgenthau, when they were presented April 16 (substantially as published here) before the National War College. Where in an organization should policy planning take place? At what level should efforts be made to compromise differences? What is the role of inter-agency committees? And what is the decision-making job of the top executive? Answers are suggested and compared to current practice which the Senator sees as failing to produce an over-all strategy adequate to the requirements of the cold war. This is one of several recent statements by thoughtful observers of public affairs arguing that more adequate machinery for policy-making is needed in the executive branch. Among recent suggestions for improving top policy-making is the President's promised plan for more thinking time for the "highest echelons of the executive departments." Senator Jackson has initiated an unprecedented Senate study of this whole range of issues, as Chairman of the special Subcommittee on National Policy Machinery.

We should move faster to the invulnerable military deterrent, the *Minuteman* and the *Polaris missile system*.

We should expand our economy at an annual rate of 5 or 6 per cent, not 1 or 2 per cent.

We should strengthen education across the board, especially in the sciences and foreign languages, but being careful not to neglect the social sciences, which are, so to speak, the sciences of the cold war.

We should increase our technical cooperation and development loan programs.

We should make a dramatic demonstration of our power to help the economically impoverished countries and underwrite India's historic development program.

We should rally more of our best brains into public service.

We should be doing all these things—and many others. The truth is we know pretty well

what we should do. The tragedy is we have not done it, we are not doing it, and we show few signs of doing it.

Why are the American people failing to pull themselves together and act on the good ideas available? What seems most to be missing is a coherent and purposeful national program that sets forth in simple terms what we have to do to survive, and why.

In wartime, there is a basic strategy to defeat the enemy. Our leaders know and our people know what they are trying to do and what is demanded of them. This makes possible the marvelous unity and energy of wartime.

We have no comparable strategy for the cold war. Our leaders do not know and the people surely do not know what our purposes are and how we propose to achieve them. The harsh tasks of the cold war are glossed over with soothing clichés and platitudes. Our people are never told what is required of them. The Congress is presented with only bits and pieces of policies—that give us no clear idea of what the executive branch is really trying to accomplish.

In this respect, the British in the nineteenth century were far ahead of us. The British leaders knew what they were doing and how they intended to do it. They were running a great empire and they had to maintain the freedom of the seas. Their people understood what was required—they were indoctrinated in their duties from the cradle. Everyone knew the importance of a good education, the need to train for posts throughout the empire, the indispensability of a strong navy, and the significance of free trade.

During the nineteenth century, the British people showed extraordinary energy and sustained a prodigious national effort. By contrast, we seem to manage only sporadic effort. Come a crisis, we may arouse ourselves to take emergency action. We appoint a science adviser to the President, we rush wheat to India, we improvise an airlift to Lebanon, we consent to a summit meeting. But at no time are the vital energies of our people fully engaged. At no time are our people shown the 'whole package' of effort that is needed. At no time are the tasks of the cold war presented in terms that are meaningful to men at the work bench, to shopkeepers, to children in school, and to housewives.

How can we get that kind of a national strategy?

More dynamic leadership would, of course, help. There is no substitute for brains and firm direction of government policy. For example, when General Marshall reached the conclusion that we had to do something about Europe's economic plight in 1947, there was little problem in mobilizing talented people and public support to translate this idea into the highly successful European Recovery Program.

But it is not a satisfactory system that is completely dependent upon the personality of a single leader or a handful of leaders. The stakes are too great for us to bank on the all-pervasive wisdom of our top leadership. We should have sound methods for preparing a national strategy that will strengthen the hand of our leaders whatever their caliber and make even an excellent leader that much more effective.

If we could get top-level officials to stay longer on the job, of course that would help. I trust we can make some progress in this field, but we cannot expect spectacular results. A rapid turnover in top-level people is not simply the mark of the present Administration. It has been true of every Administration in recent times.

Policy-Making Machinery Unrealistic

One thing I am sure would help—better machinery for policy making. Organization by itself cannot assure a strategy for victory in the cold war. But good organization can help, and poor organization can and does hurt. We are poorly organized.

We now have an enormous executive branch and elaborate policy mechanisms: The Office of the President, the Cabinet, the National Security Council, and its two subsidiaries, the Operations Coordinating Board and the Planning Board. We have the Joint Chiefs of Staff, the Office of the Secretary of Defense, the Office of the Secretary of State, departmental planning staffs, and hundreds of advisory boards, steering groups, interdepartmental committees, and special presidential committees like the Draper Committee.

Yet this modern Hydra, with nine times nine heads, fails to produce what we need.

According to the chart it does the job:

The Planning Board of the National Se-

curity Council plans and proposes new policies and programs. These go for consideration to the heads of departments who are members of the National Security Council. An agreed paper is approved by the National Security Council—which serves as an advisory board for the President. The President decides. The policy is then implemented under the watchful eye of the Operations Coordinating Board. And the President has a clear and consistent policy to spell out to the American people.

The procedure is pretty as a picture—and that is what it is, a pretty picture on an organization chart. It has little or nothing to do with reality.

Who Should Plan?

The NSC is not and by its nature cannot be an effective planning agency, except in the most Olympian sense. The President may and should make the most basic strategic decisions—such as the decision in 1941 to defeat Germany first and Japan second. In making such decisions the President no doubt needs the advice and counsel of an agency like the NSC. But neither the President nor the NSC and its Planning Board can make the detailed plans necessary to give effect to the basic strategic decisions. Planning of this sort requires the knowledge and experience of the expert and also the resources and the environment of the department with the main responsibility for the operations being planned. It is only in the department concerned that the necessary conditions for extended creative planning can be provided. And of course there must be cross-contacts and cross-stimuli between experts in the several departments at the level where planning is done.

The proper role of the NSC is to criticize and evaluate departmental planning and proposals in light of the knowledge, interests, and possibly conflicting policies of other departments. In this way what we call a coordinated view may be developed, and such a view may be very helpful to the President in making a clear determination of the executive will.

If, however, the official views of other departments are expressed at the planning stage, as they will be if planning is undertaken at the NSC level, compromise and departmental jockeying begin too early. The result is that clear and purposeful planning becomes almost impossible. The effort to make the NSC

a planning agency, therefore, has been a serious mistake in my view.

Top-level officers cannot thoroughly consider or think deeply about plans. They need to be confronted with the specific issues which grow out of an effort to harmonize a new policy with other policies. The so-called Planning Board can be very helpful by identifying such conflicts, defining them sharply, and presenting the distilled issues to the top level for decision. This is an essential function—but it is not the first step in policy planning and should not be mixed up with the first step.

You know the typical week in the life of a Cabinet officer—seven formal speeches, seven informal speeches, seven hearings on the Hill, seven official cocktail parties, seven command dinner engagements. It is a schedule which leaves no time for the kind of reflection essential to creative planning. What they can do, should do, must do—and all that they should be asked to do—is to pass judgment on sharply defined policy issues.

Of course Cabinet members have the obligation to encourage and back the officers in their departments who are charged with policy planning. The responsibility of the policy planner should run clearly to his departmental head. In this way staff planning can be geared into line decisions and the authority of the departmental head can support and strengthen the hand of the planner.

But I am convinced that we never will get the kind of policy planning we need if we expect the top-level officers to participate actively in the planning process. They simply do not have the time, and in any event they rarely have the outlook or the talents of the good planner. They cannot explore issues deeply and systematically. They cannot argue the advantages and disadvantages at length in the kind of give-and-take essential if one is to reach a solid understanding with others on points of agreement and disagreement.

Where Compromise?

Largely for these reasons, a plan originating in the NSC will almost inevitably possess a fatal flaw: a lack of internal consistency.

Good plans must be coherent; they must have sharp edges, for their purpose is to cut through a problem; their various elements must be harmonious and self-supporting. They must have the kind of logic, or, if you

prefer, the kind of thematic unity which grows out of the uncompromising and uncompromised efforts of a creative mind. Compromise must come, but it should come *after* the planning process has been completed and as an adjustment of conflicts between a coherent plan and other coherent plans.

As you well know, NSC papers are in the end the result of compromises between different departments. That is as it must be. The question is: *What should the NSC seek to compromise?* My answer is that the NSC should be presented with the most sharply defined policy issues and choices, not with papers which have already lost their cutting edge by a process of compromise at lower levels. When compromise begins at the planning stage, the issues which come to the NSC have already lost their sharpness, clarity, and bite. The paper which is already inoffensive to every department may be easily approved, but it is also useless.

In short, plans which do not lead to sharp disputes at the NSC level are not good plans; they do not present the kind of issues which the top level ought to be called upon to decide in this hard slugging contest between the Sino-Soviet bloc and ourselves.

There is, I submit, a role for both chiefs and indians, and only confusion can result when the indians try to do the work of compromise which is the job of chiefs.

As it now functions, the NSC is a dangerously misleading facade. The American people and even the Congress get the impression that when the Council meets, fresh and unambiguous strategies are decided upon. This is not the case. The NSC spends most of its time readying papers that mean all things to all men. An NSC paper is commonly so ambiguous and so general that the issues must all be renegotiated when the situation to which it was supposed to apply actually arises. By that time it is too late to take anything but emergency action.

Results of Inadequate Planning

As a result, national decision-making becomes a series of *ad hoc*, spur of the moment crash actions.

Because the NSC does not really produce strategy, the handling of day-to-day problems is necessarily left to the departments concerned. Each goes its own way because pur-

poseful, hard-driving, goal-directed strategy, which alone can give a cutting edge to day-to-day tactical operations, is lacking.

Henry Kissinger has well described the kind of strategy which is the product of this process: "It is as if in commissioning a painting, a patron would ask one artist to draw the face, another the body, another the hands, and still another the feet, simply because each artist is particularly good in one category."¹ It is small wonder that the meaning of the whole is obscured both to the participants and to the public.

Perhaps the most serious criticism is that our present NSC system actually stultifies true creative effort in the executive branch. Because planning is supposed to take place at NSC level, the departments are relieved of responsibility for identifying upcoming problems and for generating new ideas. They are even discouraged from trying. The indians are supposed merely to carry out existing policy, not to propose new policy. The result is that a vast reservoir of talent goes largely untapped.

Creative thought generally springs from daily concern with real problems, from the efforts of operators to operate. The new idea seldom comes from the man who turns his mind to a problem now and then; it comes from the man who is trying to lick a problem and finds that he can't lick it with the tools he has.

The present NSC process, furthermore, has reduced the cross-contacts and cross-stimuli between the departments and services at the level where planning and operating take place or should take place.

One reason for this is that, in principle, no contacts are needed in policy planning if this function is reserved to higher levels and the lower levels are supposed to restrict themselves to carrying out instructions. Another reason may be that when planning is reserved to the highest levels, each department considers that it must prepare to fight a battle in the NSC for its special point of view. It, therefore, mobilizes itself for making its case in a manner that will support and show off the departmental viewpoint to the best advantage. Contacts with other departments are discouraged because they might provide them with argu-

¹ Henry A. Kissinger, "The Policy Maker and the Intellectual," 20 *Reporter* 30 (March 5, 1959).

ments with which to rebut the views of one's own department.

The bankruptcy of the present NSC technique is dramatized by the Administration's increasing reliance on "distinguished citizens committees" both to review past policies and also to recommend future action—the Gaither Committee, the Draper Committee, the Boechenstein Committee and so on. These committees may come up with excellent ideas, though this is probably the exception, not the rule. In any case, few of the ideas are used. Once such a temporary committee has presented its report, it is obviously in a poor position to fight its suggestions through to a decision. And the fresher its ideas, the greater the need for a hard fight to overcome vested interests in current policy. The fate of the Gaither report is a classic case in point.

The sum of the matter is this: our governmental processes do not produce clearly-defined and purposeful strategy for the cold war. Rather they typically result in endless debate as to whether a given set of circumstances is in fact a problem—until a crisis removes all doubt and at the same time removes the possibility of effective action.

I grant that the cold war challenges our organizational ability to the limit. Yet think back to what we accomplished in World War II. With the stimulus of war, we put together a clearly defined national program of requirements and priorities. Then we set national goals to meet them. And we exerted the needed effort. Between 1940 and 1944 we increased the real value of our gross national product by 55 per cent. While putting 11 million men into uniform and sending them all over the world, we were still able to increase the real consumption of goods and services by about 11 per cent during that period. Or think back to Korea. Between 1950 and 1953 we increased the real value of our GNP by 16 per cent, and while multiplying defense expenditures three-fold, we increased the real consumption of goods and services by about 8 per cent.

Finding the Causes of Failure

Can we organize such an effort without the stimulus of war? This is the heart problem of our time. Can a free society successfully organize itself to plan and carry out a national strategy for victory in the *cold* war?

Recently I was named chairman of a Senate subcommittee on national policy machinery to study the nation's ability to plan and coordinate cold war strategy. This is the first congressional review of government methods for formulating national policy in the cold war. The study is being conducted in a non-partisan manner; we are not interested in destructive criticism but in constructive help.

The general questions to be considered run something like this:

1. What is the present structure for formulating national policy?
2. What is it supposed to accomplish?
3. Is it doing it?
4. In what areas are there grave shortcomings?
5. Why is this the case?
6. What improvements should be made?

We need to find out why critical issues constantly fail to rise to the level of national decision—in time. Experts down the line often see an issue, debate it, and write a paper about it. Then the problem gets lost on its tortuous movement upwards through the layers of bureaucracy. Over and over again, vital questions fail to reach top officials in such a way that those officials have to face them, take responsibility for them, and decide them.

Is there some way to force top-level response to specific ideas and issues? For example, it took a letter from the Congress as late as 1955 to induce the President to seek his first full-scale briefing on the status of our ballistic missile program. Could not better policy procedures have brought this life-and-death question to his attention earlier?

In addition, our subcommittee should ask questions of this kind:

1. Does a case history of NSC paper 68 teach a useful lesson? Proposing a major defense build-up, this paper was worked out in 1949-1950 before the Korean attack but was signed by President Truman only after the attack. To my knowledge it is the first comprehensive statement of a national strategy.
2. Did the NSC fully consider the psychological impact of permitting the Russians to register scientific firsts in the intercontinental ballistic missile, in orbiting a satellite, and in sending a rocket beyond the moon? Was a decision taken that these scientific firsts did not

matter? (I know there are some people who believe they do not matter. I think they are wrong. The psychological impact of being the first to put a man on the moon cannot be underestimated. It will make an enormous difference to the in-between world and to the Russians as well if they do it first. It will also give us cause to doubt our own abilities.)

3. Has the NSC considered and decided whether to make it a goal of national policy to substantially increase our gross national product—say from 1 or 2 per cent to 5 or 6 per cent? If this goal has not been considered, who in the government prepares the alternative policy recommendations on this problem? And who actually makes the decision?

4. Has the NSC prepared a paper analyzing the implications of an arbitrary defense budget ceiling both for our defense program and for the strength of our political and diplomatic hand?

5. How much consideration has been given to the implications of the use of nuclear weapons in limited war? How has this matter been presented to the President?

6. Has the NSC prepared a paper analyzing the alternative ways this country could support and finance an increased defense program? Has such a paper been discussed by the Cabinet?

7. Has the NSC considered the relation of our present output of scientists and engineers to the future needs of defense and welfare and made alternative recommendations to the President?

Building an Organization for Strategy

I believe there are at least two main areas where Congress can make helpful proposals:

To stimulate deep, sustained, creative thinking about the whole range of problems facing our nation and society.

Policy planning staffs could be set up in each main department, with a position, role, and prestige like that of the policy planning staff in the State Department in the Truman Administration.

Continuing staff relations could be organized between Defense and State, with the inclusion of other departments as occasion warranted. These might center in joint meetings between departmental policy planning staffs or the directors of policy planning. Continuing cross contacts could and should be organ-

ized at other levels, like that between State and the Joint Chiefs of Staff during the Korean War.

The equivalent of a RAND Corporation (a social science research group) might be organized for the executive branch, perhaps responsible to the Secretary of State.

An equivalent of a permanent Gaither Committee could be organized in the form of an Academy of National Policy, outside the government but with access to classified information. The Academy could draw on experts in defense, in the sciences, social sciences, and humanities, and on leaders from private life. Insofar as possible, the Academy's reports would be made public, as part of a continuing effort to develop an informed public opinion. In addition, the Academy could also prepare confidential reports for use of the government. Unlike the Gaither and similar temporary committees, a permanent center would have a chance to build a reputation and tradition for responsible and helpful reports.

To formulate and carry out a clearly-defined and purposeful national program at the presidential level.

The task of the NSC staff could be redefined as the identification and clarification of policy choices for the President and his principal advisers. Its purpose would not be to reach ambiguous compromises but to sharpen policy choices in order to assist the President and the NSC to see the issues clearly and thus to decide them intelligently. This change would recognize, in organizational terms, that the proper role of the President and his advisers is to make choices between clearly stated and sharply defined proposals.

The central role of the Secretary of State could be affirmed by giving him primary responsibility for the initial presentation to the Council of the NSC papers in which policy choices are defined.

The NSC staff could be reorganized, composed of the heads of the departmental policy planning staffs who are responsible to their department chiefs. That kind of staff would be better prepared to define issues and thus to prepare the way for intelligent decision-making at the top level than the present staff which is responsible to an independent director.

In short, NSC staff papers could be shaped to force the careful weighing of alternative

courses of action by NSC members and to force the chiefs of departments and the President to make the choices between alternatives that they should make.

We could develop excellent machinery that comes up with all kinds of fine proposals—but if these proposals never reach the top level for decision, then we would be no better off than at present. We would be right back with the Gaither report. I am not sure what the full answer is. As I have indicated, this aspect of the problem must be thoroughly considered by our congressional inquiry. I am sure, however, of what we need and are looking for: a national policy-making system that by its nature gets critical issues, sharply defined, up to the highest level where a conclusion can be reached on them in good time.

Given the kind of national strategy I have been talking about, the Operations Coordinating Board would come into its own. There is a need for such an agency. But the coordination of operations presupposes a guiding national strategy, and the OCB cannot coordinate because this precondition is lacking. It cannot direct until it receives strategic directives. It cannot wield the baton because there is no orchestra, only a collection of anarchic musicians each playing his own hot licks on his own instrument with his own music.

Of course, a new and better organization of itself is not going to be the whole answer. At best, organization can only help. You know well enough how much we need vigorous and creative national leadership. Most of you know from personal experience the importance in high places of a hospitality to ideas. And there must be a recognition of the fundamental problem. I think our fundamental problem is that we do not have a national strategy for victory in the contest with world Communism.

At this point in our history, I believe there is no more important contribution that the Senate could make than to prod, poke, and irritate the executive branch into developing such a strategy and organizing our government for that task. Without such a clear strategy, it will prove increasingly difficult to get the public and congressional support that is the essential underpinning of the adequate, purposeful, continuing action on which victory in the cold war depends.

It is far more difficult to generate the enthusiasm for the long drawn out efforts of the cold war than for the dramatic clashes of a hot war. It is on this fact that Mr. Khrushchev is heavily banking. All the more important, therefore, is the formulation of a clear and understandable strategy for victory.

"You Can't Get There from Here"

A newly-appointed chief administrator of an important and long-established government department consulted his assistant concerning the desirability and feasibility of setting up a personnel office.

The assistant, who had spent a long lifetime in the service of the department, could see no justification for the innovation.

"Personnel administration," he contended, "is the joint responsibility of the central personnel agency and the central budget agency—there's no place for a departmental personnel office."

When his attention was called to the existence of a large personnel bureau in another department, his comment was:

"Oh, that's different—that department is less than ten years old and has relatively few personnel problems. Our problems here, after almost a century of unplanned development, are too deep-seated and complex for any personnel program to be able to make a dent in them."

The chief administrator dropped the idea.

—William Brody, Philadelphia Department of Health; formerly with the National Jewish Hospital in Denver, the U.S. Economic Stabilization Agency, War Labor Board, and New York City Health Department.

Administrative Dangers in the Enlarged Highway Program

By JAMES W. MARTIN*

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THE expanded program of state highway development growing out of 1956 and 1958 federal-aid legislation has enlarged the possibilities of mismanagement. The examination of the major dangers—the objective of this paper—is important if state administrators are to avoid pitfalls.

State Management Weaknesses

It is appropriate to examine some of the management weaknesses which departments of highways have encountered in the past with particular reference to the enlargement of the program under stepped-up federal aid since 1956.

One difficulty arises from the method by which state highway department officials are selected. Fundamentally, there are two patterns, and each of them has limitations. In the first, the director or commissioner of highways is appointed by the chief executive, with or without some sort of legislative approval. He usually serves during the tenure of a particular governor. In a few such states, the administrator is at the same level as other commissioners and associated with them in an official or unofficial cabinet. A second pattern appears where state highway commissions choose the executive head of the department,

When a public program suddenly expands, what administrative arrangements can keep it operating honestly, efficiently, and democratically? Here, a former state highway commissioner surveys the impact of the recent increase in highway construction, finding that strains have occurred in many states but breakdowns only in the "spoils" states. The fastest-growing state program in this decade (145 per cent increase in expenditures between 1950 and 1958), highway construction and maintenance in 1957 accounted for one dollar of every eight spent by governments at all levels outside the defense and foreign affairs fields.

who, in some of these states, is a combination administrator and chief engineer. Some departments, both those headed by commissions and single commissioners, are responsible for more than streets and roads, covering all state public works, one division of which administers highways and another the remaining state construction program.

The appointment of a political leader as head of a department of highways is meritorious in assuring an operation in keeping with the policies of elected political leadership. But difficulty comes from the lack of management skill which frequently accompanies such an arrangement. The deficiencies in this direction are somewhat reduced in the few states which have a continuing subordinate administrator who is in effect a department head. It is in the state where the political appointee is the actual operating chief of the department that greatest technical difficulties arise. Apparently this includes most of the departments which have one-man direction. In the case of those in which the department head is selected by a commission, the likelihood of having continuing management skill is somewhat greater, but, in the

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patronage states, far from secure. Management difficulties have been greatly alleviated in states which have retained appointed executive heads for long periods. On the other hand, in commission states, the likelihood of having a department head who is careful to maintain the operation in consonance with the governor's policy is reduced.

Not only is highway administration made difficult by large size (compared to most state and municipal programs), but it is also complicated by far-flung field operations which necessarily are divided according to purpose: maintenance, construction, planning, design, right of way, etc. Nevertheless, clear direction for the combined programs is necessary. Perhaps no state has solved this dilemma completely, and the increased highway activity has further intensified it.

The administration of state highways, made more difficult by the sharp increase in size and the unusual emphasis on construction following 1956, is rendered more hazardous by the transition in highway management tools. The old problem of maintaining records and developing statistics has become far more complicated than formerly. As the state highway department has been enlarged, the accounting and statistical methods and reports which were sufficient in the 1920's are inadequate in the 1950's. The departments must revise record keeping. To a considerable extent, such a revision had been started before 1956; it has been accelerated since.

Along with this necessity for more adequate records and reports has been the shift from old-fashioned techniques to modern automatic methods. This change has included the substitution of electronic data processing for older-type accounting records and slide-rule methods and, generally, the utilization of aerial photography, plotters, and computers for engineering drawings and calculations.

Management is further burdened by the transition to new record systems which must be installed gradually. Old record-keeping methods must be maintained until the new are ready to turn out a complete product. The necessarily slow installations have been prolonged by the shortage of manufacturer inventory. In one state where the program has been carefully observed, the installation of computers has already required three

years; and the job is not yet complete. This is true despite energetic efforts to relieve the manpower shortage and to provide required records and reports. The mechanical transition, complicated by the fact that its occurrence is timed with the enlargement of the highway program incident to the 1956 and 1958 legislation, provides the basis for a management revolution.¹

The technical engineering situation in typical state highway departments produces several control problems. The first, which for awhile threatened to cause a road program collapse in certain states, arose from an engineering personnel shortage. In many state highway departments, the management sought to meet this situation by retaining consulting engineers who would deal with the larger problems while the employed manpower was adapting to the new volume of work. This policy made a bad situation worse because consulting firms recruited highway department personnel which could not be replaced. Many states confronted just such a situation during 1956, 1957, 1958, or at least part of these three years. They have adopted numerous devices for obtaining and retaining professional personnel. Some have increased initial salaries. Some have developed fringe benefits of various sorts, ranging all the way from special tenure conditions to retirement opportunity which hitherto had not been offered. Some have stepped up the use of electronic data methods to relieve engineers of long-drawn-out and tedious computations and to free them for strictly professional work. Some have developed aerial photography and the use of plotters combined with electronic data processing to secure both engineering drawings and such sustained computations as

¹A hint of this is contained in Paul T. Veillette, "The Impact of Mechanization on Administration," *Public Administration Review*, Autumn, 1957 (XVII, No. 4), 231 ff. For a fuller development from different viewpoints compare Gardner M. Jones, *Electronics in Business* (Michigan State University, Bureau of Business Research, 1958), pp. 39-42, chaps. 4, 5, 6, and the bibliography, pp. 95 ff.; George Kozmetsky and Paul Kircher, *Electronic Computers and Management Control* (McGraw-Hill, 1956); John Diebold, "Automation—The New Technology," *Harvard Business Review*, November-December, 1953 (XXXI, No. 6), pp. 63-71; Victor Lazzarro (Ed.), *Systems and Procedures* (Prentice-Hall, 1959); and Howard Boone Jacobson and Joseph Roucek (Ed.), *Automation and Society* (Philosophical Library, 1959), especially chaps. 26 and 29.

those having to do with "cut and fill." Some have taken careful steps to develop subengineering personnel thereby relieving the engineers of detailed and relatively unskilled operations for which they were in a degree responsible previously. Some have instituted a vigorous personnel recruitment plan. One small state, for example, which had secured only two engineers from the college graduating classes in 1957, employed 65 in June 1958 and another 35 in early 1959 from among men who were finishing engineering school.²

A second technical factor which must be taken into account has to do with the prevailing administrative situation in the typical department of highways. The conception that a highway department must be heavily staffed with highway engineers, as already indicated, is obviously unassailable. Without such manpower, efficient construction and effective maintenance of highways cannot be expected. On the other hand, engineers in general, like many other classes of professional people, can lay no claim to management knowhow. Indeed, the shortage of state highway department personnel who are expert in administration is a most arresting phenomenon. The idea that personnel can specialize in the field of administration, just as in civil engineering, seems not to have entered the thinking of state highway department leadership in certain states. In some states, the blind spot does not extend to the fiscal, personnel, and kindred staff. In others, however, engineers, despite their scarcity, are assigned even financial and personnel administration duties. This resort to unspecialized management skills is a situation which invites difficulty and which in the long run must be corrected if engineers are to do their most efficient work and the highway departments are to be most effectively operated in the public interest.³

² The improvement was doubtless aided by lowered demand for engineering personnel.

³ A special case has to do with right-of-way work. For this the need for engineering skill is limited, but many states have assigned only engineers to the technical positions. This policy, of course, means diverting these men away from their own professional areas into a type of professional activity for which they are not particularly prepared. The situation has been complicated, too, by the fact that right-of-way salaries have often been niggardly, though salaries are being improved in many states.

A third hazard results from the use of obsolete highway planning organizations in some states. The amount of information collected and the effectiveness of data organization and presentation in many states are far short of what is needed. Traffic statistics and road and bridge inventories are incomplete. Sufficiency ratings are underdeveloped and noncurrent. These conditions impede efficient management.

Exaggerating the weaknesses of technical planning agencies is the failure of the entire engineering staff to understand what these organizations can do for highway programming. In certain states, the personnel responsible for design and for top-level engineering decision-making have not fully understood that well-directed planners can guide road location, establish priorities, and lay bases generally for objective highway department action.

Closely related to the lack of planning for effective state highway administration is the absence of an adequate conception of the function and utility of the budget. This problem has been brought about in some measure by the relative detachment of highway departments from state budget apparatuses as a result of earmarking revenues. Consequently, state budget agencies have neglected highways. Lack of central budgeting aid would not be critical in itself but for failure of many state highway officials to employ adequate departmental budget systems—or in some cases even to understand budget concepts. In particular, the articulation of highway construction plans, in the light of available funds, with a program for the effective, continuous utilization of planning, location, design, right-of-way procurement, construction, and other state highway department manpower is too often inadequate.

The impression that the law in some states requires a budget geared to a one- or two-year limitation is especially unfortunate. Even though the legally-prescribed budget period may be annual or biennial, many states have found that there is no law which precludes careful, project-by-project planning on a five-, six-, or seven-year basis. Only with such longer view, it has been found, can the state efficiently dovetail the several stages of highway construction activity: planning, location,

design, right-of-way work, contract procurement, and construction.⁴

Federal Obstacles to Good State Management

The stepped-up federal-aid program has precipitated redistribution of construction support among different classes of highways in some states. It has impaired the balance in types of construction as previously conceived. Some states have made money available for interstate construction primarily because the federal government matches such funds nine to one. At least one state has followed exactly the opposite policy, specifically postponing interstate projects in order to support other construction. Both kinds of action effect a distorted distribution of funds as compared with what would have been the policy had less federal aid been available.

In certain cases, the distortion does not involve classes of highways but methods of financing. One state after another has resorted to borrowing, contrary to its established road-and-street financing plan, or has borrowed more heavily than apparently would have been the case in the absence of stepped-up federal aid. There is no evidence that the alteration in financial method, although it has obviously affected fiscal management, has been in any sense disastrous. It may be true, in fact, that the increased resort to highway loans is economically defensible. But it is important to recognize that the policy was not conceived for its own sake but only to take advantage of federal aid. Distortion of program and financing plans seems an inevitable short-term consequence of the increased federal aid. Perhaps there is no solution to such program alternations without new state revenues to match the additional federal aid. The situation seemed particularly acute during the calendar year 1958, due partly to a reduced rate of increase or an actual decline in gasoline tax revenues and partly to the unexpected need for funds to match the two-to-one money made available under 1958 federal legislation.

Budget troubles arise from the fact that state highway departments cannot anticipate

changes in federal-aid policy. In consequence, the state departments of highways are unable effectively to plan their own construction programs; and whatever is budgeted must be reconsidered, often on short notice, in order to conform with changed federal policy. In the late spring of 1959, for example, it is not clear whether the Congress will make added funds available for current-rate interstate construction or will rely exclusively on the trust fund for that purpose and so cut back sharply on the program which the federal government itself designed but which it has failed to maintain on a predictable basis.

Of growing significance in most states in 1956-59 has been the necessity under federal-aid arrangements for the states to advance the United States share of highway money. Unlike many other government-assisted programs, the federal-state highway operating plan depends in practice on state highway department financing followed by federal reimbursement. In some states, the load thus imposed on state governments has resulted recently in a serious cash shortage—and, indeed, in inability to meet obligations as they have fallen due. This federal dependence on state financing is not necessary to the federal grant and is an impediment to the state road program. Moreover, the financing of the national government share has introduced troublesome technical problems. It is an anachronism of federal legislation.

The difficulty lies not altogether in the legislation. Some of it is due to the administration. The Bureau of Public Roads declines to make funds available for federal aid at the time the expenditure must occur. The best example, perhaps, is the rule with respect to primary, secondary, and urban programs which denies reimbursement until preliminary engineering and right-of-way work are finished. Even before programming for survey and land acquisition, considerable engineering work must be done. The state alone must ultimately bear this expense. Thus, the state must not merely advance the federal share and seek reimbursement, it must wait for repayment.

The provisions for progress billing for the federal share of right-of-way and design work in the interstate system are more reasonable in this respect. Whereas invoicing for primary, secondary, and urban survey and right-

⁴It is significant, too, that a well planned and publicized construction budget discourages insistence on unjustified projects.

of-way work must be deferred until there is a construction contract, progress invoicing is permitted for such work on the interstate system. The right-of-way regulations for the latter, however, are unreasonable in requiring detailed justification for each parcel for progress billing. There is no logical or fiscal reason for requiring a more detailed progress billing for right-of-way than for construction invoicing. As in the case of construction, final right-of-way invoicing under a more efficient procedure would involve a complete accounting but would not require justifications in detail. This would provide the Bureau sufficient safeguard against unjustified claims and still save time for state highway department and Bureau personnel. Moreover, it would avoid one danger of breakdown in state highway administration. If current billing such as is provided for the interstate program were authorized for other programs and if the billing could be across-the-board as in connection with construction, state administrative arrangements could be greatly improved and financial embarrassments by-passed.

The Influence of Partisanship

Partisan political influences are among the factors which make affected state highway departments particularly vulnerable to administrative breakdowns, especially as they enlarge their programs. This susceptibility is sometimes enhanced by the inadequacy of training, by technical changes, by particular manpower shortages, and by other variables. The weaknesses produced, or rendered more nearly fatal to good administration, are apparent at fairly numerous points on the management horizon.

One danger point is road location. Communities have a stake in new roads. Even the completely legitimate hearing requirements in federal and state regulations tend strongly to encourage decisions based on political pressure rather than on careful planning. A state highway department, moreover, finds it difficult to avoid according views of administration supporters a bigger place than sufficiency ratings and construction-cost data in the determination of road location.⁵ Two or three examples may clarify the issue.

⁵The evidence that most states are substantially free from such impediments, however, is gratifying.

In one state, the direct route between A and C was 24 miles. Terrain for the road was not difficult, and a heavy volume of traffic was predicted by the planners if the direct route should be completed. A political friend of the administration with influence in several counties lived in B, by way of which the distance from A to C was 26 miles. He insisted on the more expensive and longer improvement through his community. This routing, if accepted, would not only increase the distance, but also would serve an average of just over half the volume of traffic anticipated on the alternative route. Because the traffic difference was accounted for by local movements between communities of a predominantly different political persuasion, the effective public pressure for the more economical and more efficient alternative was weak.

In another case, a very strong political supporter for the incumbent administration lived along a secondary highway in the northern part of a county. This secondary road had an anticipated traffic volume, if improved to current standards, of 250 to 275 vehicles a day. Another road of the same class located in the southwest part of the county more urgently needed relocation and reconstruction. It would, when improved to present-day standards at about the same cost per mile, carry a 700 to 750 volume. There was no political pressure for the second road. The administration political leader of the congressional district made an issue of the necessity for programing the former road even though doing so meant forgetting the latter for the current longterm program. Obviously, for the department of highways to agree with him would be a grave budget error—one wasteful in the extreme.

The political leader in a spoils state insists that the road he has promised to favor shall have priority over others of the same class which may have a much lower sufficiency rating and which may promise to cost less. In some states, too, there is, current partisan pressure for unimportant local road building in preference to arterial highways which handle several times as much traffic. Acquiescence of road officials to this position can waste the taxpayers' money at a wholesale rate.

The same sort of partisan pressure sometimes results in "splintering" highway projects in order to have work in process in a

maximum number of locations. This breakdown of administrative efficiency, when it occurs, reflects a desire to say yes to a maximum number of community leaders. It sometimes increases unit cost substantially. In some cases, the project breakdown goes so far that contractors refuse to bid on the small bits of construction. Force account work, often at outrageous cost, is the result.

One very expensive by-product of partisanship in highway practice is the passing-over by a new highway administration of roads already planned and designed by its predecessor. Also, in spoils states, the administrator may retain favored consultants to design projects which are not constructed; he may change priority ratings after preliminary engineering is partly or completely done. The practice sometimes even involves acquisition of right of way for projects never completed. In certain cases, parts of fully-engineered projects are constructed and the remaining technical work discarded. Fortunately, such extremely wasteful practices on a large scale are confined to a small number of spoils states, although some other states, because they lack adequate construction budgets, must delay projects in which considerable money has been invested. The adjustments in such cases are *postponements* of related work—not the discarding of projects already undertaken.⁶

The patronage system raises costs in many ways. In the first place, it may constitute a direct subsidy to inefficiency. It is obvious that choosing employees for patronage reasons rather than because their qualifications fit the requirements of particular positions assures less efficiency on the job than might otherwise be the case. The notorious inefficiency of patronage administration itself makes a bad situation worse.

There is, secondly, the additional cost of turnover for partisan reasons. With the recent shortage of engineers, of appraisers, of

fiscal administrators, and of many other classes of technical manpower, the turnover which has characterized some state highway departments has been devastating in its effects on highway administration efficiency. Such turnover is uneconomical at best; with the stepped-up construction program now in process, it is tragic.⁷ The tragedy is greater because the loss of technical personnel in short supply is much greater than the number of patronage displacements indicates. In one state, for instance, during a single recent year the number of engineers who quit the state highway department due to unsatisfactory working conditions in the spoils atmosphere was just over twice the number directly replaced for partisan reasons. Moreover, most of the individuals who resigned were among the best trained and generally the most capable in the department, the ones who were solicitous to do a professional job.

Both the Pennsylvania and the Indiana scandals stemmed directly from spoils politics, including but not confined to patronage. Both situations arose incident to heavy political turnover—estimated at 80 per cent of all workers in the case of Pennsylvania.⁸

Along with such breakdowns in efficiency, there are other reasons why patronage does not serve the public interest. If a local political leader is made highway foreman, for example, it does not seem surprising that he improves the driveways of churches, of cemeteries, of schools, and even of private individual supporters. One governor protested publicly, if unrealistically, that in naming a friend highway foreman the administration had not intended to issue him "a license to steal from the state." Such occurrences have tended to discredit the accelerated highway program even in cases in which the irregularity has been connected exclusively with

⁶ On this problem, see "Pennsylvania's Lawler: The Man and His Philosophy," *Roads and Streets*, July 1957, p. 68 (as to Pennsylvania) and the *Courier-Journal* (Louisville), March 3, 1957 (as to Indiana). The latter, an AP dispatch, quoted former Governor Craig, whom a grand jury had held "morally if not legally responsible" as characterizing the irregularity of the chairman of the Highway Commission: "A distinct shock to those who placed confidence and trust in him. There will be recurrences unless the Highway Department is removed from spoils politics."

⁸ Frank J. Sorauf, "State Patronage in a Rural County," 50 *American Political Science Review* 1046-1056 (December, 1956).

* The several preceding paragraphs are not intended to suggest that, in highway system support and even in project selection, political decisions are inappropriate. Congress has properly made political allocations among systems—but only after hearing the relevant evidence. The state highway departments must exercise policy judgments in selecting projects for construction. In the latter case, provision of adequate planning data can render the policy determination an action guided generally by objective evidence.

maintenance—that is, not directly concerned with federal-aid construction.

Perhaps one of the most serious results of the patronage system in highway work, especially in the situation existing since 1956, is the "divided loyalty" assumed to exist among employees in the state highway departments, particularly in the field service. Patronage regimes rest on loyalty of the individual employee to his local party chairman, who makes quite clear to the employee that he owes his job to the party. At the same time, he must faithfully serve the regularly constituted supervisory staff in the department. But there are inconsistencies in objectives. For example, the maintenance of political control may depend on having the patronage employee canvass his neighbors for a forthcoming election at the same time that highway work is administratively required. Again, a supervisory spoils appointee may be required to take an action not in keeping with the wishes of the local party stalwarts. "Divided loyalty" in such typical cases ceases to be. The employee must choose.

The net effect of the spoils approach to highway department administration—and especially of that phase which involves patronage—is that the titular administrators cannot exercise efficient management control over operating activities. It may be alleged that the department head who is himself patronage dispenser can do so; but experience appears to repudiate this view, perhaps because the tenure of subordinates must be at the discretion of the local political leadership if it is to serve its partisan purposes. Such partisan leadership has objectives essentially inconsistent with efficient departmental management.

In view of the uneconomical results of spoils partisanship in road work, sketched in the preceding paragraphs, one may feel encouraged that a majority of all states has repudiated this approach to highway administration. One eminent department head has remarked: "Despite some well-known shortcomings attributed to civil service, there seems to be no acceptable substitute when it is properly administered. In our state the principle is well established and accepted, and the public would not condone its abolishment or harmful modification. As a result, we have generally a fine group of public employees who are not subject to the vagaries

of politics. Their loyalties are to the public service in general and the highway service in particular."

No state with such a well-founded and developed repudiation of spoilsmanship in highway administration, as far as the author has been able to determine, has had the faintest whisper of highway management scandal under the stepped-up program. At least four of the few spoils states have had scandals or near-scandals, some of them, however, before 1956.

Procurement of Right of Way

Many persons concerned with highway administration quite reasonably fear that right-of-way procurement may be the key danger point in the management arena. The risk of gross irregularities in securing land may depend in some degree on the extensiveness and expense of the preventive program the state is prepared to adopt. But it appears to depend even more heavily on the general effectiveness of administration, especially on freedom from partisan spoils involvement.

In a number of states before 1956, the legislatures traditionally restricted severely or even forbade state procurement of rights of way, preferring to depend upon local acquisition. Local purchase was possible at a small fraction of what the state government would have had to pay. In many other states, there was in 1956 an established right-of-way agency as part of the state highway department staff. In some of these states, the changes brought about by recent increases in federal aid were nominal. This is the case in New York where the regular right-of-way staff already had responsibility for procuring land for the thruway. The organization and most of the manpower required under the federal-aid program developed pursuant to 1956 national legislation were already at hand. Mere adaptation was needed. That consisted mainly of adding a few new workers. In most states, the staff revision where organization was adequate was more considerable. In New Hampshire, fairly typical of these, reorganization was unnecessary but the number of right-of-way workers was increased from 14 to 25.

Perhaps a good example of the extreme case is Texas where, prior to 1956, right-of-way procurement was a local function. There,

the right-of-way organization has grown from none at all to about 600 persons in less than three years.⁹ The rate of purchases is now about \$2,650,000 monthly for the interstate system and four times as much (in conjunction with counties and cities) for other right of way.

In some cases, the procurement regulations were hopelessly inadequate. Such elementary checks as requiring appraisers and negotiators to be different individuals were not required. Now, in addition to that protection, states have instituted varying other safeguards.¹⁰ Some states set up systematic and expert review of appraisals made by their district employees. Some have initial appraisals made either by employees or by retained private appraisers. Others secure them exclusively through private independent appraisers. Some states use employees exclusively for the conduct of negotiations for procuring appraised realty; others use both employed personnel and retained private negotiators.

None of these arrangements assures against irregularities in land-buying practice; but any of them, in combination with efficient management, can be used with safeguards. In general, there is evidence that the separation of appraisal and negotiation is essential. It seems certain that professionalizing both functions contributes heavily toward prevention of irregularities. The requirement that property be bought at its separately-recorded appraised value has helped.

Notwithstanding the steps taken, certain states have suffered from grave misdeeds incident to the purchase of rights of way. In most of these cases, the violations of sound procedure occurred before the 1956 federal legislation or at least before the Bureau of Public Roads issued its *Policy and Procedure Memorandum 21-4.1*. However, it will be helpful to look briefly at some of the unsavory cases.

⁹ In the Lone Star state the effective administration of right-of-way procurement appears to have resulted in part from a good *Right of Way Manual* (Books I and II). These two volumes rival the sophistication of experienced California's *Right of Way Manual* and *Right of Way Form Book*.

¹⁰ Bureau of Public Roads, Department of Commerce, *Policy and Procedure Memorandum 21-4.1*, January 31, 1958, except as already indicated, has aided materially.

By far the most publicized right-of-way misdoings took place in Indiana. The criminal behavior occurred in 1954-56, but the public was informed of it only in 1957 after the administration had been superseded. The cases were publicized when it became apparent that the state had paid considerably more for certain right-of-way properties than the land owner actually had received.

In this state, the evidence¹¹ shows that, in one case among several, the front part of one lot was acquired for a right of way. It shows that the remainder of the lot, which apparently was not needed for the road, was acquired for \$1,500 from the land owner through highway department personnel by a mysterious, unidentified Dean Burton. This property was transferred through highway department personnel to a Mr. and Mrs. Peak, apparently for \$3,000. It was later purchased by the Indiana Highway Department for \$25,800. Various such transactions occurred in other parts of the state except that most of the others appeared to be ultimately for right-of-way use. Several persons were convicted and incarcerated.

One of the most significant administrative points in connection with the Indiana abuses concerned the breakdown in normal management control. The testimony clearly indicated that, on occasion, the administrative lines of authority were violated in a wholesale manner. For example, ostensibly responsible individuals were ordered to send forward certain documents without examination; other employees were ordered by-passed altogether.¹²

As another example, the *Engineering News-Record* reported¹³ that one member of the Arizona Highway Commission had acquired land along a projected highway relocation, but exposure resulted in resignation of the commissioner, and abandonment of the project.

It is a tribute to state administration gen-

¹¹ The best information available in one place is found in the Subcommittee of the Committee on Public Works, U. S. Senate, 85th Cong. 1st sess., *Hearings: Investigation of Highway Right-of-Way Acquisition—State of Indiana*, Parts 1 and 2. See especially pp. 1-3.

¹² Subcommittee of the Committee on Public Works, *op. cit.*, pp. 17 ff. and 115 ff. The State Highway Engineer was not permitted, for instance, to review the work of his subordinates in the Division of Right of Way.

¹³ October 17, 1957, p. 56.

erally in view of greatly-increased land buying that there are few publicized examples of right-of-way misdeeds. Indeed, except for a few states in which chronic spoils abuses have occurred, the two cases referred to are the only ones discovered in which there have been glaring irregularities in this area.¹⁴ The partisan spoils cases are completely illegitimate, of course; but they are not, comparatively speaking, as flagrant as the Indiana abuses. Moreover, even such abuses are known

"The Pennsylvania irregularities in the Departments of Highways as such were incident to partisan spoils. Those which resulted in sending two chairmen of the toll-road commission to the penitentiary were concerned with construction contracts rather than with right-of-way problems. See various 1957 issues of *Engineering News-Record* and of *Roads and Streets* for details.

to have occurred in only a very few states—none of them in the numerous states which have no substantial partisan spoils politics infesting the highway administration.

Summary

Though the sharp expansion in highway building has strained state highway administration at many points and has pointed up such widespread weaknesses as inadequate preparation of top officials for administration and underemphasis on long-range planning and budgeting, serious management breakdown has occurred only in states traditionally practicing a high degree of political patronage. Indeed, in state after state the administrative controls have been strengthened as the enlarged program has developed.

Kinks in the Chain of Command

"That man should come down from there and get a mask," [Second Deputy Commissioner Morr told Fire Chief David at a four-alarm].

(The way Commissioner Cavanagh expressed it more delicately at a press conference, Morr "approached" the chief and "told him he thought he ought to get that man off the ladder and put on a mask.")

"Tell him to come down!" Morr repeated, this time as an order. ("I think we should make it known to everyone that Commissioner Morr didn't mean it exactly the way it sounded," Cavanagh said. "It was not an order. It was more or less a suggestion.")

"Leave me alone!" David shouted, not immediately sensing the delicate difference. . . . "I've got a fire to fight!"

"The commissioner has ordered all men who come near a fire to put on a mask," Morr shouted back in a purely suggestive tone.

"I'm running this fire!" David yelled. . . . "The safety of my men and putting out this fire are my responsibility." (Commissioner Morr believes the entire incident to be that of an unfortunate misunderstanding," Cavanagh said. "Chief David appeared to be afraid at the time that someone was usurping his function.")

"I'm going to call the commissioner," Morr retorted. . . .

He did, too, from a radio telephone in a battalion chief's car and then, as communications czar of the department, received the final crusher. "I don't receive you," the drowsy Cavanagh, awakened at 2 a.m., told him. "Call me by land phone."

. . . Both men loudly announced that they were resigning, but Cavanagh got them together later yesterday. . . . Chief David did a little smoke damage to this shining picture by observing: ". . . what he didn't know was that there was 4½ feet of water in that cellar and that the masks would have been useless and probably hindered the men." . . .

Cavanagh, backing David, had said earlier that at fires he personally keeps "100 feet away" . . . till the presiding chief invites him closer "as far as I am allowed."

—William Federici and Henry Lee, *New York Daily News*, April 14, 1959

Fitting Accounting Technique to Purpose

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NATIONAL defense takes more than three-fifths of the federal budget and is likely to continue absorbing a comparable rate of expenditures. To control these obligations and expenditures requires millions of transactions which must be labeled, tabulated, recorded, classified, and controlled in a manner and form that will give them legal significance in a budgeting and accounting sense for use by both the executive and legislative branches.

Many legal requirements for budgeting and accounting have been adopted by Congress in the past decade;¹ many others have been on the books for decades.² As is true of most legislation, the financial concepts embodied in these laws were related to the financial events and economic theories of their

¹ The Budget and Accounting Procedures Act of 1950, 64 *U.S. Statutes at Large* 832, codified in scattered sections of Title 31 of the *United States Code*; Title IV of the National Security Act Amendments of 1949, 63 *Stat.* 585 (1949), 5 *U.S.C.* 172 ff.; the so-called Anti-Deficiency Act, 64 *Stat.* 785 (1950); The Surplus Fund-Certified Claims Act of 1949, 63 *Stat.* 407, 31 *U.S.C.* 712a; Section 1311 of the Act of August 26, 1954 defining criteria for recording obligations, 68 *Stat.* 800, 31 *U.S.C.* 200 ff.; the Act of July 25, 1956, simplifying accounting and facilitating the payment of obligations, 70 *Stat.* 647, 31 *U.S.C.* 701 ff.; the Act of August 1, 1956 establishing accrual accounting and cost-based budgets, 70 *Stat.* 782, 31 *U.S.C.* 24, 66a(c) and the Act of August 25, 1958 providing for annual accrued expenditure limitations, 72 *Stat.* 852, 31 *U.S.C.* 11.

² U.S. Constitution, Article I, Section 9, Clause 7; Budget and Accounting Act, 1921, 42 *Stat.* 20; Section 9 of the Act of June 30, 1906, 34 *Stat.* 764, 31 *U.S.C.* 627; *Revised Statutes* sec. 3678 (1875), 31 *U.S.C.* 628; *Rev. Stat.* 3679 (1875), 31 *U.S.C.* 665; *Rev. Stat.* 3732 (1875), 41 *U.S.C.* 11; *Rev. Stat.* 3617 (1875), 31 *U.S.C.* 484; *Rev. Stat.* 3618, 31 *U.S.C.* 487 (1875).

Recent debate over federal budget balancing reminds us that there is no simple way to state the current spending or debt of a huge organization. Since different accounting systems provide substantially different answers (and require substantially different investments of administrative cost), suiting the system to the purpose is important. For example, it may not be appropriate for government to imitate industry's practice (particularly accrual accounting and cost-based budgeting), according to the author, who has experience both in commerce and public finance.

Accounting's relationship to efficient management and to democratic control of defense administration is surveyed here.

own time. Most of our present financial legal concepts originated either in periods of relatively small simple budgets in the nineteenth century or during the time of large uncontrolled budgets in World Wars I and II.

In the case of defense procurement, extensive changes in existing laws³ were made after World War II to fit the needs of the cold war. The budgeting and accounting system now is founded in part on the simple existence under the peace of our earlier isolation and the all-out effort of a world war. Similar changes should be made in the fiscal laws under which these defense activities are undertaken.

Defense Requirements and Balanced Budgets

Military requirements originate from pressures outside the country. They cannot readily be related to our economic needs.⁴ They

³ Armed Services Procurement Act codified as 10 *U.S.C.* 2301-2314.

⁴ Kissinger, *Nuclear Weapons and Foreign Policy* (Doubleday and Co. Inc., 1958).

are not really a variable; the events which set our defense needs are mainly given. Yet the fiscal policy of the nation, even as regards defense needs, has as its basic guide the promotion of economic stability. This lies at the bottom of the current drive for a balanced budget. A certain sum is made available for military appropriations and expenditures, and the military requirements must be made to fit it. "The difficulty with our present budgetary process is, that by giving priority to cost over requirement, it subordinates doctrine to technology. Budgetary requests are not formulated in the light of strategic doctrine. Rather, doctrine is tailored and, if necessary, invented to fit budgetary request."⁵

Since the balanced budget and the debt ceiling become the mechanical measures of the amount of money this nation can afford for defense in a particular year, it might be wise to look at their rationale. Debt limits placed upon state and local governments have the same purpose as current federal fiscal policy—to protect the minority from an improvident majority, to maintain credit and solvency, and to protect the taxpayer⁶—so it is of interest that state and local debt controls, as well as industry's, differ from federal debt limits.

State and local government debt subject to limitation does not include tax anticipation borrowings, certain nonbonded contractual debts, debts payable from special revenues, and the funding of self-liquidating enterprises. On occasion, water bonds, utility mortgage bonds, and those debts necessary to meet certain enumerated public exigencies also are excluded.⁷ No comparable appraisal is

made of the national debt at the time of the application of the federal debt ceiling. Nor are capital items excluded. Being on a pay-as-you-go basis, all financing is done as part of a working capital requirement and not as fixed-asset financing, i.e., costs of financing capital goods are included in the operating budget, and debts so incurred are maintained in the same way as debts incurred due to day-to-day operating deficits, with no matching of assets created to debts created. An appraisal of the budget expenditures for the fiscal years 1957, 1958, and 1959 shows that more than \$20 billion has been expended in each of these fiscal years for additions to federal physical assets.⁸ These physical assets are similar to those funded by industry and by state governments through the issuance of longterm debt obligations. The adoption of a 100 per cent pay-as-you-go basis in the face of such heavy capital asset acquisition and increasing defense requirements does not seem to be fiscally warranted.

It is not suggested that standards of control be eliminated entirely but that standards be comparable to those established for debt incurred both by industry and state governments. A study by The Brookings Institution shows that the national debt ceiling has failed as a device for controlling government spending.⁹ In view of this, the continuance of a debt limit can only be justified as a measure of the burden which should be passed to future taxpayers based upon the value of assets which will be available for use in the future. This would require tests of the period of usefulness of capital assets acquired or the rate of obsolescence of military assets. In time, such part of the debt created which represents used or obsolete capital items and which has not been diluted by inflation would be liquidated. Debts for self liquidating projects

⁵ Kissinger, *ibid.*, p. 230.

⁶ New York State Constitutional Convention Committee, *Problems Relating to Taxation and Finance* (1938); Bowers, "Limitations on Municipal Indebtedness," 5 *Vanderbilt Law Review* 37 (1951); see also Note, 12 *New York University Law Review* 107 (1934-35); Tooke, "The Legal Standards of Municipal Government," 199 *The Annals* 1 (September 1938); Williams and Nehemkis, "Municipal Improvements as Affected by Constitutional Debt Limitations," 37 *Columbia Law Review* 177 (1937); Dietzman, "Constitutional Limitations on Public Indebtedness," 20 *Kentucky Law Journal* 75 (1931).

⁷ Rhine, *Municipal Law* (National Institute of Municipal Law Officers, 1957); *Levy v. McClellan* (N.Y.), 89 *North Eastern Reporter* 569 (1909); Chermak, *Law of Revenue Bonds* (National Institute of Municipal Officers, 1954).

⁸ The total value of personal and real property of the United States increased by over \$26 billion from \$235,502 million on June 30, 1956 to \$262,056 million on June 30, 1958. In the same period the gross debt of the United States increased less than \$4 billion from \$272,751 million to \$276,343 million. See *Annual Report of the Secretary of the Treasury* . . . , 1958.

⁹ Marshall A. Robinson, *The National Debt Ceiling: An Experiment in Fiscal Policy* (Brookings Institution, 1959). See also Walter W. Heller, "Why a Federal Debt Limit," 105 *Congressional Record* 10311, June 19, 1959; James M. Buchanan, *Public Principles of Public Debt* (Irwin, 1958).

also would be excluded. In any case, the need for liquidation should not be pressing if the value of increased federally-owned assets adequately covers the increase in the outstanding debt.

Further, inclusion in the federal debt limit of borrowing in anticipation of tax revenues (though such borrowing is excluded from state and local debt limits),¹⁰ has caused inefficiency. Flexibility on this score, for instance, would have permitted short-term borrowing in the early part of fiscal year 1958 in anticipation of revenues due in the latter part of the year. Since such borrowing could not be fitted under the debt ceiling, expenditure flow receded in direct ratio to collections of these months.¹¹ This needlessly cramped defense expenditures in November and December of calendar year 1957. Revenue-anticipation borrowing outside of the established debt limit not in excess of 50 per cent of the estimated uncollected revenues would have provided needed flexibility.

In the opposite direction, there is a failure to debit the federal debt limit with what are in effect borrowings: lease-purchase arrangements entered into by the General Services Administration for public building construction¹² and by the military departments for Wherry Housing¹³ and Capehart Housing.¹⁴ Private banks finance the construction; it is taken over by the federal government and paid for in installments over a period of twenty or more years. Rental or quarter allowance appropriations take the place of debt service appropriations and appear to convert a longterm debt into a contract for annual services in future years. This is an effective device for avoiding debt limitations, but it has its price. The interest cost for the private financing is much greater than a comparable sum borrowed directly by the United States.

¹⁰ See note 7, above.

¹¹ Hearings before Senate Committee on H.R. 8002, Mr. Merriam, Bureau of the Budget, 1958.

¹² Public Buildings Purchase Contract Act of 1954, 68 Stat. 518, 40 U.S.C. 356-357; see also Post Office Department Property Act of 1954, 68 Stat. 521-525, 39 U.S.C. 901-909.

¹³ Housing Act of 1956, Sec. 512, 70 Stat. 1411, 42 U.S.C. 1594a.

¹⁴ Housing Amendments of 1955, Title VIII, 69 Stat. 646.

Special Funds

The full fiscal picture also is obscured by the use of special funds. The public hears only of the general fund, estimated to be \$77 billion in fiscal 1960, but a trust fund estimated to be \$22 billion and income and expenditures of public enterprise revolving funds bring total federal income and expenditures well over \$100 billion.

Where income is in effect a fee for particular services, as with tolls to use roads or bridges or contributions of employees to a pension fund, there is justification for segregating it, applying it only to the purpose for which collected. As the source of income becomes less closely related to the particular service, for example where gasoline taxes are segregated for use on highways only, there is less justification for segregation.¹⁵ Currently there is no clear rationale for use of the trust fund in this manner as opposed to the general fund. The steady growth of the funds external to the general fund under recent Administrations implies an effort to keep the general fund—which, to the public, represents the level of federal income and expenditures—from rising. Similarly, income and outflow of public enterprise funds, used by programs like the Post Office and TVA which are mainly supported by their own income, do not appear in the budget.¹⁶ Only the deficit which must be made up by general taxes appears in the budget. Again, the total of government expenditures as presented to the public is drastically lowered by this device.

Accrual Accounting

In addition to changing the basic structure of the federal budget, it also is necessary to define with greater clarity the accounting and budgeting concepts evolving under current statutes. Recent legislation has set forth three basic requirements: 1. All federal agencies must change to accounting on an accrual basis.¹⁷ 2. All budgets presented to Congress must be based on costs.¹⁸ 3. When the above

¹⁵ The Highway Trust Fund was established under the Highway Revenue Act of 1956. See note under 23 U.S.C. 120.

¹⁶ See Table 4 of 1958 Report of the Secretary of the Treasury.

¹⁷ The Act of August 1, 1956, 70 Stat. 783, 31 U.S.C. 24, 66a (c).

¹⁸ *Ibid.*

requirements are met, each appropriation must provide a limitation on the accrued expenditures which may be incurred during a single fiscal year.¹⁹ All of these ends seem wholly logical and long overdue—at least until the ends sought are evaluated against the operational difficulties.

Accrual accounting requires a full control of all resources used during the accounting period designated. Use of all resources including cash must be reflected on the accounts for the period in order that the costs for work produced during the period may be obtained. Use of all resources rather than obligation or expenditure becomes the event which triggers the accounting record. Government agencies have generally followed the practice of controlling funds through obligation and expenditure controls rather than by use or cost controls.

The legal requirement that federal accounting be placed on an accrual basis has won the acclaim of all accounting societies and groups throughout the nation.²⁰ To some extent this requirement had been met by federal agencies long before the current legislation was proposed by the Hoover Commission.²¹ In fact, it was the success in these areas that prompted the further implementation of this concept by recent statutes.

In the military departments, little difficulty has been experienced in applying accrual accounting to the working capital (revolving) funds established under the fiscal requirements of the National Security Act amendments of 1949.²² The Navy operates its industrial funds with accounting controls that parallel the best practices in industry except that depreciation costs and military salaries are not applied to the cost of the work done. Some thought has been given to applying depreciation accounting to the equipment used in these operations without, at the same time, injecting charges for machinery employed on a standby basis for mobilization readiness. This mobilization readiness of machinery and equipment does not normally exist in industry. In fact, the very existence of a deprecia-

tion charge in industry requires the continuing appraisal of the economic validity of excessive machine and equipment retention. When machine retention is not tested by economic requirements but by mobilization needs, then accrual accounting as practiced in industry begins to break down.

What is true of standby equipment is also true of military personnel.²³ Armies, navies and air forces are maintained on a standby basis for the possible eventuality of war. Their value lies not only in their current action, but also in their readiness for the future. To assess the cost of military personnel to a job while they are training for war is not realistic. The value of their work is measured not only by the accrued cost of a particular job they are doing but also by the intangible residue of skill which they are acquiring. What accounting system can isolate this as a factor of training? In industry, the products currently produced must absorb the cost of training, research and development, and other costs of overhead in the period of production. Accrual accounting serves its purpose there by placing the costs in their proper slots both as to time and as to purpose. The over-all purpose of industry is to make a profit and determine the profit generated in a particular period by a particular product. The over-all purpose of defense is to be ready for any foreseeable act of war within fiscal controls that assure the proper usage of money appropriated. Readiness and profit are not capable of measurement by comparable accounting methods.

The costing of military operations becomes further complicated when an appraisal is made of what is a capital item and what is an operating cost.²⁴ There are those among the military that view every instrument of destruction as a consumable item which must be written off the property accounts as an asset as soon as it is issued to the forces in the field. It must be admitted that the life of a military tank will vary depending upon whether or not we are in a shooting war. Even the life of a satellite defies prediction and cannot be considered a capital item unless its orbit con-

¹⁹ The Act of August 25, 1958, 72 Stat. 582, 31 U.S.C. 11(b)-(f).

²⁰ Senate Report No. 2265, 84th Congress, 2nd Session.

²¹ See Navy Department, *Financial Report, Fiscal Year 1955* and prior.

²² 63 Stat. 585, 5 U.S.C. 172.

²³ Separate appropriation for military personnel, see Public Law 85-724, 85th Congress, 2nd Session.

²⁴ The performance budget requires segregation of operating and capital programs. See Section 403 of the National Security Act of 1947 as amended, 5 U.S.C. 172b.

tinues to produce data for a considerable period. In spite of these doubts concerning their capital or operating nature, all of these items are purchased from funds placed in the capital part (major procurement) of the budget.²⁵ Also, the converse may happen. The spares for atomic reactors and cores are purchased with maintenance funds, even though the life of the fuel may be greater than the fiscal year of replacement.²⁶ If the definition of these items is made in accordance with abstract concepts evolved in private business accounting, the facts shown in the accounts will not truly reflect the realities which mark the useful life of the material or men employed.

But before this splitting of costs is pursued too assiduously, the question should be asked as to what purpose it would serve. Its purpose in the case of industry—trying to measure a profit for a period—can be understood. Its usage in cost reimbursement contracts is vital. Its employment wherever costs must be distributed to various jobs paid from different sources cannot be denied. To use it with all the refinement employed by industry for the purpose of controlling costs to a job which must be done regardless of cost is to pursue accounting merely for accounting itself. Under these circumstances only a control of expenditures seems warranted, the cash flow of the government to match receipts with expenditures being the basic control of the defense effort. Any other control which cannot demonstrate its utility should be discarded. This does not deny cost accumulation but only avoids the use of costs as a current control of the flow of appropriated funds.

Obligations and Expenditures

A full evaluation of the mechanics of appropriation control and use must be made before the remaining aspects of financial management can be considered. Appropriations consist of two basic authorities—the authority to obligate and the authority to expend.²⁷ The former consists of the power to create a liabil-

ity which will require expenditures for its liquidation. Under the recording requirements of recently-enacted legislation, this liability is closer to that reflected in a legal document than had been accepted by earlier practices. The treatment of obligations prior to the enactment of section 1311 of the Supplemental Appropriation Act of 1955²⁸ was related to the *possibility* of future expenditure rather than the legal existence of a current liability. The measure of the amount recorded previously depended upon the complete picture expected to exist after the full unfoldment of the contractual relationship, rather than upon the immediate limit of the liability legally defined in the written document. Cost rises expected to take place, such as change orders, escalation, spares, price re-determination, and indemnification—which statistically, were inevitable—had been included in the obligation. This gave a more realistic picture of the full impact of the procurement action than does the present definition of obligation.

Under the present law, only the obligations which are sustained by currently existing documentary evidence can find their way into the books.²⁹ For example, a procurement of planes initiated by a letter contract would only result in recording a ceiling placed upon the current rate of spending of funds instead of the full amount expected to be shown in the definitive contract. Even when the definitive contract is executed, only the amount fixed in the contract for the end items sought is recorded. The inevitable increases for at least a dozen contingent liabilities are not reflected. An obligation might be recorded for \$100 million even though the accountants know statistically that the expenditures will be closer to \$130 million. No longer reflecting the anticipated expenditure under the appropriation obligated, the purpose of obligation control is denied.

Commitment Accounting

To some extent, this failure to reflect fully the procurement action taken has been offset by the introduction of commitment accounting which has been superimposed upon the obligation accounting. All procurement ac-

²⁵ Continuing or no-year appropriations cover major procurement, construction, and research and development; see P.L. 85-724, 85th Congress, 2nd Session.

²⁶ Spare parts required for maintenance are purchased from annual funds; Navy appropriation, "Operation and Maintenance, Navy."

²⁷ 34 Stat. 764, 31 U.S.C. 627; see also 35 Comptroller General's Decisions 306 (1955).

²⁸ 68 Stat. 830, 31 U.S.C. 200.

²⁹ *Ibid.*

tions through which funds are transmitted for obligation by procurement offices become the basis for commitments in those instances where an obligation cannot legally be recorded. In this manner, the fiscal administrators can label the funds set aside for a prescribed use. Unfortunately, this device is limited to procurement actions. Occasionally, there is a need to commit funds which must be used to cover noncontractual arrangements made for dependents medical care and other military benefits prescribed by statute. Thus liabilities come into being which are neither contractual action nor procurements and so are not recordable as commitments. It would be most helpful if a full review were made of all of these particular instances so the law could be amended to permit the recording of obligations based upon administrative determinations supported by written findings.

Expenditure Control

If we assume that the obligation picture can be clearly presented so that the status of fund availability is apparent in any period, our task is only partially completed. Expenditure control which is so vitally related to the balanced budget is an additional and almost insuperable task. It was foolishly hoped that the placement of annual accrued expenditure limitations on each appropriation would have the effect of cutting down the full obligation authority granted by the appropriation to a rate of employment consistent with anticipated revenues. This hope was based, in part, on a consideration of expenditure controls practiced by private industries. Most industrial activities relate their current expenditure requirements to their current earnings and bank borrowings and make certain that any fixed periodic charge based upon established production schedules is not greater than the amount available for its liquidation. Unfortunately, this is not and cannot be done by the federal government, particularly in regard to defense procurement. At least it cannot be done with the accuracy we have expected from private industry since the military departments must relate their cash flow not to established production schedules but to shifting criteria which, at times, may even be in conflict.

Military budgets are estimated in regard to cash flow on the experience of the previous

fiscal years. Statistics which are generated in previous fiscal years are valuable in predicting the flow of cash in a particular appropriation and form the basis for establishing expenditure targets under the President's budget. However, their use assumes that a pattern of obligations created under a particular appropriation has a relationship to similar obligations created in previous years. This is not always true. In fact, with the rapid changes in the end items sought in current budgets, the statistics of previous years become less valid. Even a change in procurement practices without a change in the nature of end items can change the rate of cash flow drastically. It must always be remembered that the execution of a military requirement is not governed by the plan established in an earlier period but by the demands of the moment dictated by the change and flux in the international picture.

The expenditure rate against an obligation will vary depending upon the type of contract employed. The contract may be a fixed price contract without progress payments, a price redetermination or incentive contract with high initial billing prices, a cost reimbursement contract with 80 per cent of the costs payable as they occur, a progress payment contract which permits payments of 70 per cent of the costs incurred, or even a contract which has progress payments based upon physical completion permitting the flow of total contract costs, plus allocable profits. A history of the directives issued by the Department of Defense controlling progress payments,³⁰ cost reimbursements,³¹ maximum amount of billing prices,³² and incremental procurement³³ demonstrates the extent to which contractors seek different payment pro-

³⁰ Defense Contract Financing Regulations dated 17 December 1956; 32 *Code of Federal Regulations*. Part 82.

³¹ Department of Defense Directive 7800.6 dated 1 November 1957, Subj: Cost-reimbursement contracts—payments for work in process.

³² Department of Defense Directive 4105.7 dated December 5, 1955 amended July 3, 1956. Subj: Payments on Incentive-type and Price Redetermination-type contracts; 32 *C.F.R.* Part 84.

³³ Department of Defense Directive 7200.4 dated 21 May 1957, Subj: Funding of Procurement Contracts and Interdepartmental Requests and Orders for Procurement. 22 *FR* 4139; see *Government Contracts Reporter*, Par. 29, 404. See also, Chermak, "Contractor Financing," 18 *Federal Bar Journal* 286 (1958).

visions to obtain the greatest flow of cash under defense contracts.

In addition to variances generated by shifts in the form of contracts employed, shifts may occur in the emphasis that the contractors place upon government work. When commercial work is running high, the rate of government production may slow. With a retarding of private orders, the industrial slack is taken up by an acceleration of government work with concomitant increases in contractor payments. Even the tightening of the money market will lessen bank support and require additional expenditure support by the government. Inflation will also increase the expenditure rate, particularly in the case of labor and material increases which are correlated with a cost of living index. Cost increases under contracts result in greater progress payments and cost reimbursements. All of these variances can disrupt any prediction of cash flow over a single fiscal year. It is amazing that the error of prediction is as low as it has been over the past five years. For example, expenditures for the Navy Department at the end of fiscal year 1958 were within 5 per cent of predictions made more than eighteen months before. Few industries could estimate their expenditure requirements under these disruptive influences with this accuracy. But in the eyes of the advocates of annual accrued expenditures, this is not adequate. The end result—to them—must be a tailoring of defense needs to rigid fiscal limits and a resulting distortion of defense planning and procurement practices.

Purposes of Accrued Expenditure

Industry does not use the accounting device of controlling the use of cash through appropriations. The dedication of funds to a particular purpose is peculiar to legislative action of public bodies. An advantage accrues from this practice in that all future employment of the fund is anticipated whether taken through a contract, order, cost accrual, or other formal means of placing future liabilities against the available funds. Industry first reflects the liability of this action through its accounts payable instead of through the legal documents establishing obligation, which eventually result in the delivery of goods and services creating the accounts payable. In other words, the government's procedure of

deducting from obligational authority a sum representing the cost of an item to be purchased is substantially the same kind of accounting process, though at a slightly different stage in the procurement, as industry's deduction from assets through accounts payable.

To an accountant versed in the ways of private industry, the device of reflecting accounting action through accounts payable is extremely important. In fact, it is the first event in an industrial transaction that reflects the relationship established between the seller and the buyer because, unlike government practice, the potential liability is not expressed on the accounts at the time the legal relationship is established. For this reason, accountants familiar with the practices of industry advocated the adoption of annual accrued expenditure limitations on appropriations as a means of cash control. It was inconceivable to them that any set of books could provide a means of management control without giving a prominent position to the control of accounts payable.

Since the federal government and most public bodies find their basic controls in the use of the obligation of funds, the problem needing solution is not the establishment of a liability but the control of the rate of flow of funds established under such obligations. In industry this would be governed by cash flow projections required to plan working capital needs during an extended period. No industry would control its use of cash by limiting total accounts paid and payable during a period. Cash flow would be related to the rate of enrollment of the work financed. The reason for this is manifest in the difficulties found in expenditure control against production action, both within the organization concerned and the organizations of the various subcontractors and suppliers of materials and services. Any control of material flow into a production line has to consider slippages and even complete failures. When the material involves outer-space needs depending on untested development, the slippages and failures become more frequent. For this reason, if any over-all control is established, it must be in terms of a matchout of decreased expenditures due to failures and slippages against increased expenditures due to breakthroughs. This matchout can be best accom-

plished if the limitation is not against particular appropriations but is against the total moneys available to an agency. Thus, any acceleration under research and development appropriations can be accomplished by a concomitant reduction in procurement appropriations for items made obsolete by the scientific break-through.

Cash Expenditures

There is no need to use accounts payable control as a device for expenditure control. It does not nor can it afford the immediacy of control that a strict cash control affords. In fact, the true position of accounts payable in an organization the size of the Department of the Navy as of a particular date will only be ascertained months after such date. Certainly, a device which furnishes facts long after the event to be controlled is not an adequate control device even though the information generated is valuable for future use. To be effective, expenditure control must have fairly immediate information. This only occurs in cash flow controls such as the Daily Statement of the United States Treasury which reflects for each business day the cash deposits and withdrawals in the Treasurer's account. A more realistic cash position is contained in the Monthly Statement of Receipts and Expenditures of the United States Government where expenditures are reported on the basis of checks issued rather than on the basis of checks paid.

Cost-Based Budgets

Cost-based budgets would require a complete change in the control of defense funds from that which is currently employed. Cost-based budgets are operating plans which not only control cash and obligating authority but all resources to be used in the period covered by the budget. As previously stated, the mere control of the cash asset presents problems which are not readily resolved. If a similar control of other resources, such as inventories, undelivered orders, work in process, advances made in prior periods, and extensive machinery use and military personnel usage were exercised, then the massive institution of Defense would be slowed down considerably.

The concepts that support the establish-

ment of a cost-based budget are sound and desirable.³⁴ The same could be said of the scientific concepts of Isaac Newton. It was only when his concepts were applied to space which required time as a dimension that they failed to work. Likewise, simple accounting concepts can be less useful when applied to an operation as massive and extended as the military establishment. Time becomes a most important factor in the flow of facts which give meaning to the accounting concepts.

Defense Inventories

Inventory use by the military establishment is different from that of other federal agencies. Stocks accumulated by the nonmilitary agencies usually are related to current usage, and current needs can be limited to the current period by annual appropriations.³⁵ But where the current need includes stockpiling and war-readiness, annual appropriations are no control on annual use. Material, machinery, and men are all acquired and placed in readiness for use in the future, if at all. In fact, this readiness requirement causes a constant replacement of obsolete inventory which cannot be employed for its intended purpose. Assessing of costs to a particular period of obsolescence might have the result that accounting techniques rather than military necessities would influence the decision to replace equipment. It tends to divert the decision's focus from the question of immediate defense needs. This is dangerous. No monetary incentive should be created which would have the effect of encouraging inadequate preparedness.

Controls in Budget Execution

Of course in the execution of a program, full costs should be kept and form the basis of testing the economy and efficiency of meeting the requirement established, but advance controls based on detailed cost predictions of the unpredictable can hamper the program. If any monetary control is to be exercised, it should not hamper the military requirement and so must be simple, such as an administratively controlled cash expenditure target. The Department of Defense has established

³⁴ Note 20, above.

³⁵ See 21 *Comp. Gen.* 1159 (1941); 23 *Comp. Gen.* 862 (1944); 24 *Comp. Gen.* 676 (1945); 33 *Comp. Gen.* 90 (1953).

these expenditure targets over the past three fiscal years with some success in meeting the expenditure goals sought. To require a greater control would mean that predictions of the delivery of material orders, of contract completion dates, of research and development breakthroughs, of incidents like Lebanon, Formosa Straits, and Suez must be formulated. Although the planning of requirements by the Joint Chiefs of Staff is extremely careful and wholly anticipatory of contingencies undreamt of by the man-on-the-street, the details of usage of resources which would be required in the establishment of a cost-based budget would make the immediate tasks of shifting resources and funds so burdensome that the over-all task of defense would suffer in its execution.

Working Capital Funds

To some extent the problem of controlling resources available for current usage has been solved by the establishment of working capital funds in the military establishment, as provided by the National Security Act amendments of 1949.³⁶ Inventory which is held for common use by various technical bureaus and services is financed and controlled by a working capital fund. In the case of the Navy, this fund is designated the Navy stock fund and controls materials totalling over \$2 billion.³⁷ These materials are issued for use by program units which reimburse the stock fund from their appropriations. There is no need to include this inventory in a cost-based budget since the control lies in the cash usage of the appropriation. The fund enables the military establishment to have the goods available for usage before the consuming appropriations are made yet does not permit the free use of the inventory. Similar control is exercised over the use of industrial facilities in the military establishment through an industrial fund, a revolving fund reimbursed for the work it both finances and does for program units operating under current appropriations. This control of resources is in a certain sense a modified form of a cost-based budget in that materials or capital equipment which other-

wise would have had to be maintained and accounted for by line units are in fact accounted for through revolving funds for which the accrued expenditure control can be effectively exercised. The budget execution of the past two decades employed this type of control in the apportionment of revolving funds by the Bureau of the Budget.³⁸ These funds have balance sheets and employ accounting and financial controls found in most private industrial establishments. When an activity of the military establishment resembles private industry, there is no problem in the use of private accounting practices and principles.

Overexpenditure or Overobligation

The administrative control of appropriations within the Department of Defense is designed to avoid the overexpenditure or overobligation of funds by restricting their availability to the amounts appropriated by the Bureau of the Budget³⁹ within the rates of obligation established by the Secretary of Defense.⁴⁰ The authority to obligate may be transmitted to lower levels and subdivided among the various Washington suboffices and field activities. Each subdivision of funds establishes the limit of obligation of the fund transmitted. Conceivably, this subdivision could continue until the last authority in the chain of transmittals could be limited to a relatively small sum. Occasionally, the sum becomes inadequate for the use for which it was transmitted and an overobligation or overexpenditure occurs before the additional amount required may be transmitted. If this happens, then the Anti-Deficiency Act is violated.

Upon violation of the Anti-Deficiency Act, reports must be filed with the President and the Congress.⁴¹ No matter how small the violation is or whether or not it has been ratified by the subsequent transmittal of additional funds, the report must be made and disciplinary action must be taken or recommended. In most instances, the error is immediately corrected and no threat of a deficiency exists or could have existed. Some

³⁶ Section 405 of Title IV, Act of August 10, 1949, 63 Stat. 585, 5 U.S.C. 172(b).

³⁷ Navy Department, *Financial Report, Fiscal Year 1958*.

³⁸ See Budget-Treasury Regulation No. 1 and Budget Circular A-34.

³⁹ 64 Stat. 785, 31 U.S.C. 665.

⁴⁰ 63 Stat. 585, 5 U.S.C. 172c.

⁴¹ 64 Stat. 785, 31 U.S.C. 665 (i) (2).

change should be made in the Anti-Deficiency Act so that every error made does not rise as a violation report to the President and the Congress. The head of the agency should be able to eliminate, in his discretion, all reports that involve negligible technical errors. Much time and effort is expended in processing these reports and it does not appear to be necessary to assure the nonoccurrence of a deficiency in any appropriation or apportionment.

Conclusion

Americans generally do not believe the human mind can comprehend the whole of things and contemplate ultimate truths. This attitude made possible the creation of a methodology leading to greater prediction and control of the events of the physical world, while at the same time emphasizing the unique individualism of the Anglo-Saxon world. Only as we attack existing particular deficiencies can we finally evolve the principles and policies necessary to give the whole federal fiscal picture the coherence that adequate financial management requires. With these thoughts in mind, we can be more confident in a process of meeting the fiscal problems of our massive defense requirements by meeting each particular difficulty as it becomes clear.

First, the federal budget should be revised so that all receipts and expenditures are shown on a gross basis. Within this total budget, of course, receipts and expenditures may be segregated and controlled in accordance with the formulas of self-liquidation and dedication that may be prescribed by statute. These fiscal schemes should be logically related to formulas of budget balance and imbalance. This would require some doctrine supporting capital budgeting on a partial pay-as-you-go basis, tied into a funding

scheme founded on the period of usefulness established for the capital items.

Second, the debt limit should be put on a gross basis, and deductions should be allowed for revenue-anticipation borrowing and for the debt service of self-liquidating capital items. This pattern can be readily found in the debt-limit formulas evolved by the various states and municipalities. The establishment of the debt limit should be related to future asset use.

Third, cash control flowing out of obligation should be completed before any requirement of property control or accounts-payable control is tied into fund control. This should bring about a reappraisal of all recent fiscal laws as well as ancient revised statutes. Such laws should conform with the budget and accounting practices which have afforded the military departments their basic controls in recent years, including elimination of object classifications from the budget structure and fiscal laws.

Finally, obligation and expenditure control should be fully evolved before any changes in the direction of full accrual accounting and cost-based budgets are made. The statutory definitions of obligations should be made to conform with the practical needs of obligation control rather than the rationalistic concepts which find their origin in the legalisms underlying contractual relations. This would promote better expenditure prediction and control. The administrative control of funds should eliminate the reporting of trivial violations. With such stability, the application of the concepts of accrual accounting and cost-based budgets can be pursued. In an institution as vast and extensive as Defense, accounting cannot spring fully born. It must slowly incubate and finally mature without hindering the growth of the functions it was created to serve.

In Sickness and in Health

An American technical assistant in a Latin American country reports the following "administrative instruction," duly circulated to all staff members: "The Director will use sick leave for a vacation on Tuesday and Thursday of this week."

When, for reasons unforeseen on Monday, the office had to be closed Thursday afternoon, the Director appeared at 10:30 a.m. Thursday, stayed until lunch hour, and announced that since the office would not be open in the afternoon, he would use Friday for his sick leave.

Democracy in Council-Manager Government

By KENT MATHEWSON

*City Manager
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FOR many years city managers and their form of government have been the darlings of the political science professors from coast to coast. In *Public Administration Review* of last summer, a Rackham postdoctoral fellow at the University of Michigan with wide experience in municipal research raised grave questions about the future for council-manager government. It was charged that the plan often creates a political vacuum and that if the manager allows himself to be drawn in, he becomes an autocrat. If he stays out, the city flounders from a lack of leadership. The article charges that the manager's preoccupation with efficiency makes him sterile to political considerations and—in the absence of a strong political mayor—democracy goes down the drain. Also, warnings of growing criticism of council-manager governments by political scientists were voiced at last year's International City Managers' Association conference.

Some of these views were partially confirmed last year by a report by Clarence E. Ridley who retired in 1956 after serving twenty-seven years as executive director of the International City Managers' Association. Ridley, a strong advocate of council-manager government, received questionnaire replies from eighty-eight city managers from coast to coast as to the importance they placed on their annual budget as a means of formulation of municipal policy. While in council-manager government, the city manager has sole responsibility for recommending the coming year's city plan through an executive budget, few managers gave it the place of im-

» Further on the city manager's role in policy development and community leadership, a manager (with 12 years experience as a manager in three small and medium sized cities and two years as assistant manager in two larger cities) urges that more politics be put into the council-manager plan, but without any withdrawal by the manager from his key responsibilities in developing and presenting policy. Many managers, he feels, do not sufficiently throw open the policy development process to the public, particularly in budgeting. These questions, of course, apply with little translation to high-level career executives in other units of government. Earlier articles on the same subject appeared in the Summer, 1958 and Spring, 1959 PAR.

portance that the budget customarily receives from elected chief executives. In fact the majority of managers reported that they work up their budgets as a "team" effort through informal meetings with their mayor and councilmen. While this assures a minimum of friction in municipal affairs, it strikes a severe blow at the democratic process. By developing the budget at "informal" meetings with the council, officials present a cut and dried budget to the public. If the citizens don't like the budget when it finally becomes public, they have an uphill job of trying for a change because the mayor, council, and manager are largely wedded to it through their informal meetings. Likewise this procedure almost completely nullifies the considerable public interest that could and should be developed in the budget.

Some council-manager cities see the matter in a different light, with the manager presenting his budget (without prior councilmanic review of the budget document) to the council and public simultaneously so that the council may feel free to change it as it sees fit in the

light of public opinion. This is the democratic process that is followed at other levels of American government. The chief executive's budget is his plan, to be debated and changed in any way desired.

A key to understanding public response to council-manager government in these days of increasing complexity (in everything from home appliances to government operations), may be found in the persistent lack of enthusiasm for manager government in our large metropolitan centers. It may be that the larger the city the smaller the fraction of population that can personally know its city hall leaders, and therefore leadership at the city hall must be realized by the masses through a symbol. A strong mayor makes a much better symbol than the mayor who is part of a council-manager government. The mayor of the council-manager city cannot and does not have the opportunity or responsibility for the total operation of the city and therefore does not become the full symbol of city government as does the mayor of the mayor-council government. In the smaller city, the symbolism is not nearly so important because people see their city manager or their mayor or their councilmen or their department heads at civic club meetings, in church, and on the street, and they can deal with their city government through personal contacts rather than through symbolism expressed periodically at election time. The need for symbolism in the large city is not entirely compatible with council-manager government and undoubtedly will continue to present a problem to advocates of manager government in the large cities.

Friends of good government everywhere should be concerned about questions being raised about council-manager government because supporters and detractors alike agree that this innovation, now fifty years old, worked the most significant advance in government in the twentieth century. Mayors, councilmen, and managers should carefully review their thinking on these eight points:

1. The people of this country in choosing between democracy and efficiency have always chosen democracy. They will revolt against slide rule solutions or recommendations by "experts" when such action becomes oppressive or devoid of the common touch. For every

pound of "expertise" there should be a counter portion of Jacksonian democracy.

2. The larger the city the greater the need for a personality to symbolize the municipality's government—"the mayor of our town." The leadership position of the mayor in council-manager cities is usually stronger when he is elected by the public than when he is elected by his fellow councilmen.

3. The cause of democracy will not be served by the city manager ducking responsibility, refusing to take a stand, or assuming a "milk toast" personality because of a mistaken belief that making important policy recommendations will place him in an inappropriate role. He is the municipality's chief executive—while the mayor is the chief political and policy leader.

4. Every city deserves bold thinking, research, and reporting to the public on the major municipal issues of today, such as urban sprawl, downtown blight, urban renewal, and mass transit. Fulltime, paid, and elected mayors in noncouncil-manager cities face removal if they fail to use their talents on these issues. Part-time, nonpaid mayors in council-manager cities often cannot devote sufficient time to these affairs. Recommendations on these and other vital matters, then, should be made by the fulltime, paid city manager and his researchers. This should be done in the manager's annual budget message or other major "white papers" that will receive legislative and public debate. These policy recommendations should be presented simultaneously to the council and public without the deadening effect of cut and dried solutions arrived at through informal conferences with council.

5. Matters of street locations, sewer needs, and other "routine" municipal housekeeping affairs need not be finally decided by technicians. The public usually has a keen interest and opinion about these matters, and there are elements in these decisions on which the public, not the technician, is expert. While the public's desire may not always represent the "technical solution," it represents nevertheless the *right* answer.

6. Mayors and councilmen in council-manager cities have a pressing obligation to exert political and policy leadership to the fullest. The public and city manager should insist on their fulfillment of that role.

7. In council-manager cities the term "ward" should no longer be considered a dirty word and instead should be considered synonymous with "representative." In many council-manager cities the democratic process could be strengthened by electing councilmen from wards rather than at large.

8. Finally, caution should be exercised in embracing metropolitan or "super" government as a solution to our problems created by the multiplicity of local jurisdictions in the urban regions because "metro" can only lead to a weakening of the democratic process in local affairs. Instead, greater research and effort should first be expended on the development of intergovernmental cooperation among elected officials on a formal but voluntary basis, for meeting overlapping, uncoordinated, or undeveloped urban matters.

The academes at the first of the century

who developed the council-manager plan may have succeeded too well in taking politics out of city government. Their counterparts of today are saying let's put politics back in. The trick is to get the good back without the bad. To observers at the last International City Managers' Association conference this would seem far from hopeless. The key is the American city manager with a code of ethics and principles as high as the ministerial profession, expertly trained, serious, dedicated, but with an inexhaustible enthusiasm for public service and the common touch that comes from daily and intimate contact with the hometown citizens. If the city managers of the next fifty years will develop a devotion to the democratic process that outstrips their desire for job security and sterile efficiency, the trick will be turned. The first fifty years proved council-manager's efficiency; the next fifty will prove its democracy.

Reviews of Books and Documents

Book Review Advisers: Charles S. Ascher, Arthur W. Bromage, Robert L. Oshias

History, Merit, and the Politics-Administration Boundary

By HARVEY C. MANSFIELD, Ohio State University

THE REPUBLICAN ERA: 1869-1901, A STUDY IN ADMINISTRATIVE HISTORY, by Leonard D. White, with the assistance of Jean Schneider. Macmillan Company, 1958. Pp. 405. \$6.00.

HISTORY OF THE UNITED STATES CIVIL SERVICE, by Paul P. Van Riper. Row, Peterson and Co., 1958. Pp. 588. \$7.50.

LEONARD WHITE lived not quite long enough to witness the publication of the fourth and last volume in his monumental study of the administrative evolution of our national government. But it was characteristic, as well of his calculating workmanship as of his steadfastness of purpose, that when he learned of the scourge of cancer that was to carry him off, he trimmed his plans for the series to what lay within his powers in the remaining time allotted and completed what he set for himself in this volume.

There is an explicit chronological hiatus in his narrative as it was brought forward in *The Jacksonians*, from his skipping over the decade of the 1860s; this he discounts on the twin grounds that the period of the Civil War and its immediate aftermath has been so much worked over that the labor of mastering its materials was better spent on a later era less thoroughly explored, and that the pattern of postwar national administration quickly reverted to its prewar model anyway. There is another and unexplained hiatus in coverage: only two incidental paragraphs on the Secretary of State and no discussion at all of his department or of the Department of Justice in an otherwise systematic review of the cabinet departments. This silence is eloquent. In what other government, in what later period than this one, could foreign affairs and police be simply overlooked? In the case of the Justice Department, the loss is the less because

we have Cummings and MacFarland's *Federal Justice*; for omitting the State Department, the only plausible surmise seems to be the maxim, the law takes no notice of trifles. The story ends with McKinley, just as the plot begins to thicken with twentieth century complications.

This is the work of an old master in the selection and arrangement of detail. White identifies two major developments in the period: the gradual restoration of presidential power and prestige from their lowly status after Andrew Johnson's impeachment trial, through a succession of contests mainly with the Senate; and the movement, symbolized in the Pendleton Act, toward the goal of a relatively nonpolitical civil service, which White sees as one of the great modern inventions in the art of government. This is a topic dear to his heart, and he devotes a good deal of space to it and the related problems of public service ethics. He also notes, in a useful reminder to those who may suppose the rapid growth of government is a recent phenomenon, that the federal establishment underwent a five-fold expansion in the three decades he reviews, without any marked departures in the nature of federal activities other than the entry into railroad regulation. But the main bulk of the book is taken up with an elaboration of the three-way relationships between the President, Congress, and the several segments of the "executive" branch, and their consequences for the structure and functions of the latter, taken up in turn.

Two Approaches to History

White is sparing and judicious in his personal judgments and unpretentious in his theoretical framework, which emphasizes the interaction of ideas, individuals, and institu-

tions. Himself a pioneer in the break away from the historical and legalistic approaches so prevalent when he began his study of public administration, he returned in the end to history as the instrument of his last major contribution in the field. To judge by this book he never lost his aversion to the legal side of things.

Paul Van Riper, inspired by White, has taken one aspect of the larger story—the development of institutions and handling of issues in civilian personnel administration in the executive branch of the national government—for more extended and intensive treatment. He begins at the beginning but gets through the nineteenth century in a little over a quarter of the book and expands in detail as he approaches his publication date, the seventy-fifth anniversary of the Pendleton Act. Nearly half the space is devoted to the last twenty-five years, and nearly a third is a running commentary on events since World War II. The text is heavily documented, and supplementary notes appended to the chapters provide a comprehensive and critical bibliography. All in all, this is the result of years of painstakingly accumulated research, and it will be a nearly indispensable reference for American students of public personnel administration.

Van Riper is much freer than White with personal comments and sweeping assertions and more ambitious also with his theoretical framework. In an introductory "Pattern of Analysis" and a concluding "Theory of Governmental Reform," he draws on a body of theoretical literature that White avoids, talks of the "Protestant Ethic" and the "Social Ethic," and finally plumps for an "opportunity system" of representative bureaucracy that is neither the "closed" system of the Federalists nor the "spoils" system, but rather turns out to be, in substance, what we have actually been getting since the Pendleton Act, especially in recent years. Since his initial theoretical assumptions are very weak and this conclusion is scarcely an operational criterion, it might be anticipated that his theory, though it contains much sound sense, would have little discernible influence on his narrative; and this is the case. This difficulty with theory is matched on occasion by some corresponding difficulties with empirical comments offered in the teeth of the evidence. So, for

example, he applauds the Eisenhower administration for "superb staff work, unparalleled in American public administration" (p. 484) and then in the next dozen pages proceeds to recount chapter and verse of a series of unhappy incidents that (whatever else may be said of them) tend to contradict his generalization. In a comparison, White does not suffer for seeming less ambitious.

Patronage-Merit: Policy-Administration

A question common to the two books is the nature and proper boundaries of a "non-political" civil service—perhaps, in broader terms, the viability of the old distinction between politics and administration. Both authors are aware of the pitfalls and are careful to avoid the terms or commitments to the distinction; yet both display some hankerings for it. White first encounters the problem in a discussion of "administration by legislation." (pp. 68-69) After stating his assumptions "that the essential nature of the legislative function is to enact rules of general application" and "that the essential function of administration is to apply the general rule to the particular case," he points to a mass of special laws of individual application. But he concludes cautiously:

Whether this was an appropriate course for Congress to pursue is beyond the range of a historical narrative, but it may be remarked in passing that much congressional intervention was in the interest of equity and fairness, as the hard cases went from administrative denial to legislative permission. Much of it was necessitated by the ineptness of the general rule or administrative obligation imposed by statute. Some of it was mere favoritism (p. 69). . . . No line of rational distinction had been formulated by Congress between its central function and that of administration. (p. 70)

He comes upon it again in connection with McKinley's "roll back" order, taking out of the competitive service positions that Cleveland had placed within it on the ground that he needed the appointments to control policy. White cites Woodrow Wilson, who did draw the distinction between politics and administration but was baffled to apply it. He also quotes the stand of departmental officials who favored political responsibility (i.e., exempt status) for bureau chiefs and division heads and the contrary opinion of the Civil Service Commission; then he concludes:

The dispute never passed beyond generalities. Neither the Commission nor the agencies made a convincing case, but the passage of time gradually confirmed the position of the Commission. (p. 321)

Van Riper, in his theoretical section, argues (pp. 549-559) for "representative bureaucracy," with an "open door" for talent in appointments and promotions and "free occupational choice" for those within the service. This furnishes no rule for deciding how any particular position should be treated and seems to imply a denial of any line between politics and administration in appointments and tenure. In the course of his very perceptive review of "The Patronage" since 1953, (pp. 488-500), Van Riper impliedly criticizes the Commission for "conniving at a patronage grab" (p. 497), then deplores that "up into 1958 no one had seen fit to consider the problem of administering the patronage as worthy of a major research effort," goes on to quote a characteristic Schattschneiderism against nonpartisanship, and concludes by suggesting that "the failure of the Eisenhower regime to face the problem of patronage in a forthright and determined manner was to some extent responsible for the bitter and often indiscriminate new waves of legislative attacks on the civil service which followed the 1952 election." (p. 500) Yet in his succeeding discussion of the loyalty-security program and review of events from 1955 to 1958 on the personnel front (pp. 500-520), it seems plain that he approves of practically everything that has been done to improve the status and protection of the competitive service—and so, by implica-

tion, to sharpen the politics-administration boundary.

If a policy question is any unsettled question of how the government shall act, and politics is the process of determining who may settle it, then it seems clear from both White's and Van Riper's accounts that the time of greatest political instability is in the first few months of a newly incoming administration. The whole range of conflicting claims on appointments is then at large, in relatively free play, and almost any previously established line separating career from "political" offices may be blurred, perhaps even indistinguishably. With the passage of a little time, many—but never all—things become settled; the forces both internal and external that benefit from stability get the upper hand; and the lines of distinction are sharpened again for the time being at least. Even at the extreme of flux the range of instability is not very great in absolute numbers; according to Van Riper, apparently about 70,000 patronage appointments had been made through the White House office between 1953 and 1955, in a civilian establishment of some 2,350,000—about 3 per cent. (p. 491) But, of course, there may be some elephants among the 2 million mice.

At any rate, the histories here at hand invite speculation about how, if not by the still used and much abused concepts of politics and administration, the various and shifting elements are to be sorted out and synthesized that enter into judgments about how positions are to be set up and filled. On that inquiry, Van Riper says, "much more needs to be done." Amen.

Behavior and Administration

By ALBERT H. ROSENTHAL, U. S. Department of Health, Education, and Welfare

LEADERSHIP IN ADMINISTRATION, by Philip Selznick. Row, Peterson and Company, 1957. Pp. 162.

SOME APPLICATIONS OF BEHAVIOURAL RESEARCH, a symposium, edited by Rensis Likert and Samuel P. Hayes, Jr., UNESCO, 1957. Pp. 333. \$3.25.

ASSESSING MANAGERIAL POTENTIAL, Report of

two seminars conducted by the Foundation for Research on Human Behavior, Graphic Services, 1958. Pp. 83, plus tables. \$3.00.

FOR MANY years, thoughtful teachers, practitioners, and students of public administration have realized that public administration, in both theory and practice, calls upon all of the social sciences. Much of the litera-

ture and thinking in public administration have been developed from political science. More recently, however, real progress has been made in breaking down the almost water-tight compartments in which the separate social science fields have developed and at least a trickle of the thinking and techniques of the psychologist, sociologist, social anthropologist, and related social scientists have been applied to the general areas of both business and public administration. The major force in this development has been the discovery that in administration we are dealing primarily with human beings and that, with due consideration to structure or procedure, the actions of human beings will largely determine the effectiveness or failure of an administrative effort.

Back in 1924, two books by Mary Follett, *The New State* and *Creative Experience*, appeared to be opening the door to the concepts in the field of psychology as they applied to administration. However, aside from a few random articles, this approach was generally forgotten in the great flood of books and articles in the field of public administration which appeared in the latter 30's and through the 40's.¹ In 1950, Simon, Smithburg, and Thompson published their book, *Public Administration*, which sought to weave into generally accepted concepts of public administration the basic theme of "how people behave."

At the same time, schools of business administration and management engineers, primarily directing their attention to studies of business, changed their emphasis from the mechanistic "time study" and procedural approach to one of great attention to behavior and motivation. Particularly in large-scale advertising, the motivation approach has become as much a symbol in this field as the gray flannel suit.²

Hopefully, scholars and practitioners in public administration will concentrate on understanding human behavior in order to administer programs with sensitivity and effectiveness rather than using motivation

techniques to shape human behavior in a somewhat Machiavellian way. The effort to establish a "packaged" approach to stimulate the behavior of employees according to a set formula has little genuine validity in practice and has concerned thoughtful administrators like David Lilienthal who believe that government should be administered with a democratic process as well as toward a democratic end.³

This means, of course, that each employee should be considered as an individual who is respected as a human being rather than considered as a pawn to be moved on a master chess board in the administrative process. While the "pollster" seeks to find how people will react to a particular stimulus and assumes that no further action or investigation should take place, the "directionist," on the other hand, has developed the concept that all people will react the same way to the same thing and seeks to use this common reaction as a basis for manipulation. The great findings of Cooley in psychology and Znaniecki in sociology concerning the common dreams, hopes, and aspirations of most people have much to offer the thoughtful administrator. Certainly the development of scientific sampling techniques represents a valuable research tool. It is the extremist in this field, as in many others, who seeks to misuse these valuable guides to the detriment, rather than the sound thoughtful improvement, of concepts in the field of public administration.

Is it an interesting coincidence, or is it rather the great truth underlying the democratic principle, that the basic concept of psychology, psychiatry, and social work is that each person must be considered an individual human being with his own values and goals? Certainly there are patterns of group behavior, but these are to be understood and taken into account in guiding policy decisions rather than in developing techniques of manipulation.⁴

The three studies listed above are soundly done and directed by men who are distinguished scholars. While each of these three studies is quite unlike in approach as well as content, their great contribution in common

¹ Mary Follett's approach is reiterated in her collected papers, reprinted in H. C. Metcalf and L. Urwick, eds., *Dynamic Administration* (Harper and Brothers, 1951).

² Perrin Stryker, "Motivation Research," *Fortune* (June, 1956) and Vance Packard, *The Hidden Persuaders* (McKay Company, 1957).

³ David Lilienthal, *This I Do Believe* (Harper and Brothers, 1949).

⁴ Simon, Smithburg and Thompson, *Public Administration* (Alfred A. Knopf, 1950), pp. 22-23.

is that they provide a thoughtful bridge between public administration and the fields of sociology, psychology, and social psychology.

Varying Leadership with Groups and Tasks

In his book, *Leadership in Administration*, Professor Philip Selznick of the University of California seeks to provide a sociological and psychological interpretation of administration. In the introduction to this book, Clarence B. Randall, retired Chairman of the Board of the Inland Steel Company, summarizes the basic theme of the book in the sentence, "It is to this concept of organization through leadership, as distinguished from authoritarian control, that this stimulating book is addressed." To this reviewer, the major value of the book is not this implied thesis but rather (1) an illustration of the need of carefully applied concepts of sociology and psychology to the understanding of the administrative process; and (2) the careful treatment of the concept of leadership, stressing the necessity to base it on considerations of principle and responsibility. In this area, the author makes a genuine contribution in distinguishing between various types of organizations. He points out that "... free-willed consent is virtually impossible to achieve in organizations that have narrow, practical aims and whose main problem is the disciplined harnessing of human energy to achieve those aims." It is perhaps because this distinction has not previously been fully understood that the concept of leadership in administration has been somewhat confused. To apply the author's concept to practical day-to-day administration, the supervisor of a stenographic pool or of a large punch card unit will find himself in trouble if he tries to apply the same approaches and methods as the head of an office consisting of a small number of highly trained professional staff. Perhaps as important as the basic concept of "consent" in administration is the understanding of the areas in which this concept is applicable.

To practicing administrators, there are a number of interpretations provided in the book which may help clarify thinking on day-to-day problems. The author borrows from the field of psychology in presenting a useful analysis of decision-making. He points out that an oversimplified separation of policy-making and policy-serving decisions, often

differentiated as "policy" and "administration," may obscure rather than clarify the true picture of administrative process. While this point has been previously made by Professors Waldo⁵ and Lepawsky,⁶ *inter alia*, the author contributes further to understanding by presenting a distinction between routine and critical decisions and by applying the concepts of "static" and "dynamic" adaptation from psychoanalytic theory. Routine decision-making may be important, but it is directed to the solution of day-to-day problems for their own sake. Critical decisions are those which have long-run implications for the organization in that they determine central aims and distinctive methods. The distinction made between "routine" and "critical" decisions is basic to the author's concept of leadership. He is applying leadership to the critical area rather than to routine practice. Thus, Selznick's message is not so much directed to the administrator at lower levels as it is to the top level administrator who, as he says, may make a basic contribution in formulating only two or three significant decisions a year.

The differentiation between static and dynamic adaptation also is important to Selznick's theory of decision-making. Static adaptation is applied to a change which is genuinely accepted by those involved. Quoting Erich Fromm, "It does not arouse new drives or character traits." In contrast, dynamic adaptation results in a change in the individual which creates something new in him in that it arouses new drives and new anxieties. The author points out that dynamic adaptation takes place in the "shadowy area where administration and policy meet." By this he means that administrative processes may influence policy just as policy may shape the machinery or organization.

A further distinction in understanding the concept of leadership is presented by the author in a description of the differing types of leadership required as an organization goes through stages of development. He uses the classic designation by Pareto of the "foxes" who are needed to develop new programs but who must be replaced at a certain stage of

⁵ Dwight Waldo, *The Administrative State* (Ronald Press, 1948).

⁶ Albert Lepawsky, *Administration* (Alfred A. Knopf, 1949).

development by the "lions," for effective day-to-day administration.

One of the basic examples of the usefulness of this book to the practitioner is the author's analysis of the traditional conflict between the viewpoints of bureau chiefs at central headquarters and those of regional heads of programs, who seek both to decentralize and to coordinate operations in the field. Here the author talks of the "elite" which he uses synonymously with the "professional" at both headquarters and field level. The author points out that the administrator can understand bureau-field conflicts if he realizes that it is quite natural for professional or elite staffs to be highly self-conscious in seeking to protect certain values which may not be consonant with the agency's over-all program. As programs become more mature, established, and well accepted, they may be more readily decentralized and coordinated at the regional level without distortion due to professional standards which may not fit with the program standards. The author shows genuine insight into headquarters-field problems when he states, "And it is the headquarters staff that puts pressure on its field representatives to avoid co-operation that may prejudice distinctive identity. The appropriate response to this phenomenon is neither to deplore it generally nor to accept it as inevitable, but to investigate the actual circumstances to determine how much elite autonomy is in fact needed, given the strength of the value in question."

As indicated in these few examples, this book will assist the thoughtful teacher, practitioner, and student to understand more fully the elusive concepts of leadership and decision-making.

Psychology, Creativity, and Executive Training

The book, *Some Applications of Behavioural Research*, is a symposium edited by Professor Rensis Likert of the University of Michigan and Samuel P. Hayes, Jr., Director of the Foundation for Research on Human Behavior, and is published by UNESCO in the series Science and Society. The great value of this compilation is that of providing a ready reference work for advanced scholars in the field of behavioral research. It is not a study for

beginners nor is it designed to be a desk reference to the administrator. However, the series of essays included in the book should be of great value to qualified specialists in several aspects of research in public administration. The use of the term "behavioural research" in the title may be confusing, since the term is used in its broadest possible sense. The editors point out that this term is used in lieu of the more familiar terms, "social psychology" or "social research." Consequently, the book will be of primary value to those interested in the broad field of research in the social sciences, although some focus is given to those investigations which study the behavior of individuals.

One of the most interesting essays is entitled, "Human Factors in Research Administration," by Hollis W. Peter, which discusses such subjects as the individual factors in scientific performance, the motivation and interest of scientists, and the development of productive scientific work groups. For example, the essay summarizes the studies of the relationship of creativity and age conducted by Professor H. C. Lehman at Ohio State University. Lehman found that creativity within most fields of activity rises to a peak at between 30-40 years of age and thereafter declines. Other studies are cited showing a similar profile. However, encouragement to older researchers is afforded in the point that further study shows that scientists with high scientific motivation and good opportunity for research do not show the expected decline in productivity with advancing middle age.

With the recent emphasis on executive training programs in federal, state, and local agencies, the essay by Stanley E. Seashore on "The Training of Leaders for Effective Human Relations" will have genuine interest and value. This essay includes four different approaches to the training of leaders in effective human relations. Each approach is illustrated by the experience of a particular business firm or training organization. While the four programs discussed are quite different, a common technique used in all is what is called "feedback." This involves the systematic evaluation of training by the participants themselves and by the executives who are in a position to evaluate the training needs of the organization. This, the author points out, is fundamental to a good training program in

that it seeks not only to adapt individuals to the needs of the organization but also to adapt the training program to the needs and objectives of the organization.

A number of major universities throughout the United States have undertaken rather large scale educational programs for foreign nationals conducted both in the United States and abroad. To the administrators and participants in these programs, the essay by Simon O. Lesser and Peter entitled "Training Foreign Nationals in the United States" will be of interest. In this report, the authors raise a number of significant questions calling for further research including: the characteristics which should be looked for in selecting candidates for a training program; the impact of adjustment to maximum benefit from such a program; the relationships of such programs to attitudes towards the United States; the relationship of location of training to effectiveness; the effects of such training upon the return of the participant to his home country; and the impact of substantial numbers of foreign visitors and trainees on the training institutions in the United States.

One of the great values of this collection of reports and essays is the excellent annotated bibliography which follows each section. More than many works of its kind, this collection of essays, most of which grew out of studies sponsored by the Foundation, exemplifies the potential contribution to public administration available in the research techniques and findings of psychology, sociology, and cultural anthropology. It will be of value to research personnel and training officers responsible for developing research, executive training, and development programs.

Characteristics of the Successful Executive

The multilithed report, *Assessing Managerial Potential*, summarizes the findings of two seminars conducted by the Foundation for Research on Human Behavior in 1957. It brings up-to-date some of the essays presented in the book by Likert and Hayes. Like that volume, this report is for the advanced scholar rather than for the classroom or the practitioner. Discussion leaders at the seminar included some of the thoughtful leaders in this field from both government and business, such as Milton M. Mandell of the United States

Civil Service Commission,⁷ Edwin R. Henry of Standard Oil Company, and Robert E. Barmier of Sears, Roebuck and Company. Professors Likert, Kahn, and Hayes provided highly qualified leadership. Significant essays include a review of considerations in determining the effectiveness of executives in both business and government, reviewing some of the practices of Sears, Roebuck and Standard Oil.

A by-product of the emergence of executive development programs is the increased interest in the determination of characteristics of effective executives. This is essential to the selection of participants in an executive training program as well as a prerequisite to the planning of the program itself. The report of the seminar which discussed the subject of "Appraising Executives" cites the findings of the Educational Testing Service which has synthesized the results of a survey into a list which is called "Seven Expressions of Executive Effectiveness." These are listed as: (1) his organization produces profits; (2) he operates efficiently; (3) he maintains "good" relations with others in the organization; (4) he makes realistic plans for the future; (5) he develops high morale; (6) he develops the competence of his subordinates, and (7) he fosters good public relations.⁸ It is significant that a list developed independently by the General Electric Company, though listing only eight factors, suggests almost identical items.

The experience in research directed at improving the criteria of managerial effectiveness relies heavily on general research in the field of psychology. Standard Oil is presently using a comprehensive battery of psychological tests, including the following: (1) general attitude questionnaire, (2) Guilford-Zimmerman Temperament Survey, (3) a statement-choice self-evaluation, (4) a nonverbal reasoning test, (5) the ETS-picture test (work scene), (6) a judgment test (work and nonwork items), (7) a multiple-choice individual background survey, (8) the Miller Analogies Test, and (9) Work Patterns Profile.

⁷ See Essays by Milton M. Mandell in *Selection of Management Personnel*, edited by M. Joseph Dooher and Elizabeth Marting, Vol. I (American Management Association, Inc., 1957).

⁸ See also Marshall Dimock, *The Executive in Action* (Harper and Brothers, 1945), particularly the chapter, "Arithmetic of Executive Leadership." Chester I. Barnard, *The Functions of the Executive* (Cambridge, 1938).

One of the most interesting examples provided by the Educational Testing Service is called the "In-Basket Problem." Various problems by letter, memoranda, reports, proposed contracts, and other action materials are placed before each candidate. His answers to these action problems are measured against a set of standards listed as follows: (1) effective use of routines, (2) flexibility, (3) foresight, (4) effective use of data in solving problems, (5) originality, (6) consideration for human relations, (7) judgment of ability or motives of others, (8) orderliness of work habits, (9) skill in writing, and (10) cooperativeness.

The last chapter points out some areas requiring additional research. This includes a long list of pertinent questions such as: To what degree are managers born and not made? In what ways can an executive be helped to overcome his weaknesses? How do we handle the "non-promotable" man without destroying his motivation? To what extent do mana-

gerial jobs impose rigid patterns of behavior which may not be necessary? To what degree does success breed success and failure failure? On the last question, the editors provide a delightful statement: "It doesn't matter whether he bats with his 'foot in the bucket', or whether his fielding is awkward. All that counts are results." This leads to the further question: Is an executive judged successful on the basis of results alone or must he achieve results in a certain way?

One of the amusing sidelights to the report is the inclusion, in the appendix, of a supervisor's review of a young executive. The sheet reproduced states: "What to do about Bill Hackett? Says he dislikes collection work. Slow on following up delinquencies. Waited four days after default before trying to work out new terms with over-extended credit risk. All this after 15 months! Yet recommendations excellent—and he's young: 28. Bill *must* go—Sept. 10, 1955."

Where Civilizations Are Bought and Sold

By JOHN D. LANGE, National Association of Housing and Redevelopment Officials

GOVERNMENT AND HOUSING IN METROPOLITAN AREAS, by Edward C. Banfield and Morton Grodzins. McGraw-Hill Book Company, Inc., 1958. Pp. 177. \$6.50.

METROPOLITAN ANALYSIS: IMPORTANT ELEMENTS OF STUDY AND ACTION, edited by Stephen B. Sweeney, assisted by George S. Blair, University of Pennsylvania Press, 1958. Pp. 189. \$4.50.

THE EXPLODING METROPOLIS, by the Editors of *Fortune*, Doubleday Anchor Books, Doubleday & Company, 1958. Pp. 177. 95¢.

THE *Exploding Metropolis* fired this reviewer with its vivid approach to the great metropolitan problem from the angle of the city dweller. It inspired the need to back off and examine the causes as well as the reality.

This and the other two books forced me to ask the basic question, "What is a city?" That left me with the discouraging conviction that it was a colossal mess and I would like to own a chicken farm. This ambition of defeat has haunted me before when I have been

forced to face the urban problem as a whole and have been inundated to the ears in the rising tide of complex problems. This time the desire to swim for shore and my dismal objective of rural escape was overcome by a more rational reaction, a search for an answer to "What causes it?"

Turning to *Government and Housing in Metropolitan Areas*, I found the steadying hand of good, sound economics. The writers point out at the start: "Most of the wealth of America is in its cities. And most of the wealth of the cities is in residential structures and their related utilities and facilities. The value of dwellings alone stands at over \$300 billion, a figure twice as large as the assets of the country's 500 biggest manufacturing companies." (p. x)

The cities are the wealth of America; they explode in direct ratio to the exploding economy. If we grab that truth and hang on as we challenge and respond to these books, we will resist the impulse to give up in the face of the overwhelming odds they present to us. The overwhelming odds do not mean that Ameri-

can cities *are* disastrous problems but rather that American cities *have* disastrous problems. In the change of that verb, the authors throw the gauntlet down and the fight is on to revitalize our cities to serve the nation.

Housing: an Economic and Social Force

One of the ACTION (American Council To Improve Our Neighborhoods) series, Banfield and Grodzins' book discusses the interlocking changes taking place in the massive city pattern. We are constantly reminded in this book that not only is housing by far the largest single item in our national wealth, but it is also our greatest social commodity. Above all things *tangible*, they assure us, housing reveals our system of values to ourselves and to the whole world; it expresses our respect for humanity or preaches whole sermons on what we still have to learn to become a self-respecting nation.

However, setting aside its social implications for the moment, housing as an industry, for all its gargantuan size, is as sensitive as a hair spring to real or imaginary declines in the economy. It is the only industry that suffers immediately at even the rumor of a decline. Being the largest single expenditure in the life of a family it is naturally supersensitive to any financial insecurity.

It is also stubbornly immobile in a nation whose business is largely dependent upon the swift mobility of its people. We appreciate the economic value of our swiftly transient people, but we have never reconciled the mobility of those people and their immobile houses. The financial loss incurred by sudden moves on the command of the business world discourages risk-money being attracted to the housing industry. When is the housing industry free to proceed in the competitive world of successful production and merchandising, and when does it become necessary to require its adjustment to our mobile economy as a whole? *Government and Housing in Metropolitan Areas* does ask this question, and although the authors have no specific answers, they do indicate a direction to look: "Great Urban problems are also great national problems; and the full pooling of resources, not least of all fiscal resources, is necessary for their solution. Overcoming impediments to satisfactory housing at the local level involves the entire Federal system." (p. 154). *The Ex-*

ploding Metropolis and Metropolitan Analysis certainly agree with this basic statement; they don't develop it but they agree with it.

Banfield and Grodzins point out that the two-headed aspect of the housing industry, social and economic, is only the beginning of its Medusa complexities. They discuss the related utilities and facilities—water supply, sewage, schools, health, fire and police protection, etc., and the manner in which these services falter and interact on one another faster than the massing of the people who are responding to the changing national economy. It is easy to believe that this gigantic growth in population is causing governmental hysterics and property dilapidation in the central core cities. But this is less than half of the truth. The outer cities of at least twenty of our greatest metropolitan areas have more dilapidated dwellings and fewer amenities such as running water than do the central cores of those areas. Confusion in matters of jurisdiction and lack of definable standards have resulted in a complete lack of planning or controls of any kind and, in many small suburbs, in substandard conditions from the day of their construction. At least it can be said for the central core cities that they had a standard to lose; their outer-cities were lost before they were born.

Cities, Suburbs, States, and Nation

The economic burden of pumping life into these still-born communities is only exceeded by the burden of injustice loaded on the victims who must live in them. As we must decide when housing is an industry and when it is a social obligation, so we must decide what is a local problem and what is an area problem, maintaining that sense of future inherent in creative governing. No hard and fast rules can be set down for the nation as a whole. In a country of this size, subject to many climatic, geographic, topographic, and political differences, adjustability on a regional basis must be the key. However, a national acceptance of what is decent, safe, and sanitary as applied to all housing and its related utilities and facilities would create the basic standard from which those adjustments could evolve.

In the absence of a well defined basic national standard of decent, safe, and sanitary housing and its related utilities and facilities,

the local officials are left with the problem of formulating such a standard and also with the time-consuming task of educating the citizenry to incorporate such a standard in their codes. National leadership in this matter would go far in helping to avoid the building of new slums. I must admit that the victim of the new slums is not completely innocent, though his excuse for buying or building in these potential slums is a valid one. At today's costs, he cannot afford better conditions. Still this is an excuse and holds nothing in the way of a solution to the dangerous health conditions as well as the expense he will be saddled with as the population increases and the public menace passes the point of acceptance. A standard that waits to be afforded never materializes. On page 22 in *Government and Housing in Metropolitan Areas*, under the sub-heading "Suburban Blight," the matter of absence of basic standards is well documented and, in my opinion, the argument against unincorporated areas buttoned up: "And some small suburban developments, largely those in unincorporated areas, are 100% substandard from the day of their construction." (p. 24)

The problem of urban blight is an old problem. It was always tragic, but with the unprecedented massing of the people today, it is at long last intolerable. Great cities have had to turn to the federal government as their second line of defense, by-passing their state governments in the fight to regain their balance in this upsurge of growth. We are given a better understanding of this alliance by the authors' explanation that the states are caught in a paralyzing "calm" as the emotional conflict of massing ethnic groups rides the tide of expansion.

The sprawling, uncoordinated suburban areas, fearing dominance from the tight-knit, densely populated central core cities, tend to run toward separateness for political independence. Luther Gulick, quoted in *Government and Housing in Metropolitan Areas*, pointed out that Jefferson said in 1788 that "the geographic isolation of special interest groups was dangerous for democracy in that it accentuates strife." (p. 51) Gulick carried the idea further: "Perhaps the 'precious' suburbs need to be tied in with the underprivileged in order to give us better balanced constituencies, better balanced leadership resources, and a keener recognition of social re-

sponsibility on the part of the economically favored." (p. 52)

This question of consolidation vs. federation, vs. cooperation is very specifically discussed in *Metropolitan Analysis*, in the chapter on "Analyzing Governmental Structure in a Metropolitan Area with Particular Reference to the Philadelphia Area," done by George S. Blair with the cooperation of Lennox L. Moak. *The Exploding Metropolis* fires its broadsides through the authors' defense of land-use planning, especially in William Whyte, Jr.'s Chapter V on Urban Sprawl. All three books, each from its own particular interest pattern, are extremely aware of the enmity between the rural and the urban interests, now complicated by the unholy alliance of the rural and suburban interests closing ranks against the struggling city. While this conflict rages and the long fight of the cities for reapportionment is thwarted by the combined efforts of the rural and suburban interests, and before that team awakens to the fact that its treasured economy is dangerously and irrevocably tied to the very cities they would deny, the federal government must stand in defense of the great cities. Economic and humanitarian considerations aside, the fact that in the past thirty years more than 50 per cent of our total population has migrated to the cities on command of our expanding and changing economy, demands that the federal government give fair concern to that largest segment of our population.

Whether the states will ever be freed to take up their obligations to their own great cities again remains to be seen. When President Eisenhower suggested, about two years ago, that the federal government let the states handle their own problems, taking away such aids as the federal subsidy for housing, the suggestion got off like a lead balloon. This is not a censure of either the suggestion or its rejection; it's more than possible that we must seek a new method of approach and cooperation between the federal and the state governments, facing realistically our growth pattern and adjusting ourselves to its new demands on our governing skill. However, this is my opinion, not that of these authors.

Noah Webster on Metro

Metropolitan Analysis, Important Elements of Study and Action, edited by Stephen B.

Sweeney, is a series of papers compiled as the result of workshops and a conference held in Philadelphia commemorating anniversaries of the Wharton School of Business and Commerce and the Fels Institute of Local and State Governments.

Your reviewer found the first half of this book pretty slow going. In trying to define the "Objectives of Metropolitan Study," the author retreats desperately to Webster's dictionary to get a firm grip on his vocabulary: "Webster defines an objective as 'an aim or end of action.'" The author was trying to tell us what the study was about, where it came from, what it did, and where it is going, but by my definition he got all tangled up in "goals," (to me, something to tie the wagon to, like that star that makes man divine or crazy), and "objectives," (something within sight—not exactly something that will send you charging out of your chair, but at least you might live to get there). And then there are "assumptions" which is the perfectionist's way of saying "things as they are" without gagging; followed by a series of "approaches," which is a maze of cross-roads any or all of them equipped with such potholes as "possible," "probable," or "your guess is as good as mine." Believe me, I know the jam he was in, and I don't wonder he tore off into such inventive jargon as "attitudinal," "methodology," and "governance." It takes an inventive mind to attempt to cram into a limited number of pages the background story of the metropolitan predicament as to where we are, where from, and whither away. He fought it out with admirable determination, and if you can plow through his pedantic ground-cover, it's worth the effort.

The book provides a list of factors and considerations which should furnish a splendid checklist covering a variety of approaches and emphases for those involved in metropolitan study.

Using the Philadelphia study as a case in point, papers were presented on four study areas of metropolitan analysis with a view toward developing an analytical method for all metropolitan areas: a working concept of (1) the physical extent of the area, (2) the social trends affecting the area, (3) the economics of the area, (4) the governmental structure. "As a further clarification of the intended scope and depth of these analyses, they should

be primarily considered as applied research rather than basic research studies. Thus, the emphasis is on an evaluation of accepted factors, rather than on the investigation of new hypotheses—with the exception of the analysis of governmental structure and machinery." (p. 48) Why that exception? Sweeney writes, "There has been so little experience with effective government of metropolitan communities that it is necessary to consider new concepts of public policy, social organization, and community responsibility in the search for satisfactory solutions for the metropolitan complex." (p. 48)

In emphasizing "applied" research, this book stresses the proper use of history. It agrees emphatically with Dr. Osler, who is said to have begged his medical students, "Will you please learn what has been done before, and if you must make mistakes, will you be so kind as to make new ones." The history of metropolitan government in the Philadelphia area is analyzed and studied in eight different particulars, from the year 1790 to 1956. (pp. 83-84) George Blair and Lennox Moak warn, "These attempts should be studied in their time-perspective and analyzed in terms of what they sought to accomplish. Some efforts were successful while others failed of initial implementation or after a brief period of time. Both successful and unsuccessful efforts should be analyzed, however, so that the lessons of experience can point out pitfalls to be avoided or circumvented." (pp. 82-83)

Moving into today's experience with attempts to achieve a measure of governmental integration, three metropolitan areas were analyzed, each making a different attempt to solve metropolitan area problems—Los Angeles using the device of strong county government which provides governmental services by contract to incorporated cities; Boston emphasizing metropolitan special districts principally for services; and Toronto establishing a metropolitan federation covering selected functions. Against the historical background of the development, the methods adopted in each case seem to be successful to a marked degree even though they are admittedly only partial solutions to the many metropolitan area problems.

Solutions to date have been mainly devices of expediency. More dynamic action will be

demand as the people become more aware of the failure of something or somebody to satisfy their needs. Until there is strong citizen protest, local political leaders all too frequently remain reluctant to disturb existing patterns of political institutions; they will look for expediences. Those anxious to seek long range imaginative solutions are hampered by limited powers to make adequate and appropriate changes, to the end of providing sounder solutions and greater flexibility. Local and regional leadership must be granted greater authority. Luther Gulick, after pointing up the political implications of the problem in his splendid contribution on the state's role, indicated "... little can be done effectively without positive governmental action." (p. 170) By whom? "The answer, under the American Constitutional system is wonderfully clear and precise: the sole constitutional responsibility for creating the framework of local government in America rests with the State Government."

If the authority and opportunity of the state are used, local leaders, exercising American ingenuity, will create and adopt new forms of regional government to replace or supplement existing limited forms designed and adopted before the impact of the exploding metropolis.

"... By People Who Like Cities"

The Exploding Metropolis, written by the Editors of *Fortune*, is provocative from the very first line: "This is a book by people who like cities." In that one sentence, they make their protest and develop their thesis. They are concerned primarily with redevelopment which is the word for planning in a completed area—the city itself. New cities can be planned; old cities must be redeveloped. Planning and redevelopment are one and the same, both motivated by land needs. However, the first is making a plan to fit a use; and the second is rearranging a use to fit a plan.

These writers are city dwellers; they understand the city, its drive and force, noise, tension, and confusion. When the last three elements pass the point of acceptance and become evils, they will struggle to bring them under control, but they will fight to the death to preserve the other elements—the drive, force, and vitality that make the central core

of our great cities the nerve center of our civilization.

They build a strong case for leadership by city people in city planning and redevelopment. They hate the isolation of space and love the privacy of numbers.

The cause of a city is the need to be close to the base of distribution; it colors city dwellers' lives and personalities. They have no feeling for area and space as such. They are not the descendants of the determined restless pioneer who struck out into space and turned this continent into a nation; they are the descendants of the stubborn fighters who stood firm, back-to-back, driving the stakes of civilization deep into our ground. They planted the roots of our culture, and they mean to see it flourish. The great love of the true city dweller is the city itself; it is his way of life, his sentiment.

The description in *The Exploding Metropolis* of the cities' aggressive demand for redevelopment *suitable* to the sentiments of the people who live in them is heartening. It's the word "suitable" they are stressing. Their aggressive demand for suitable redevelopment is not unreasonable. They want corrections or additions to harmonize with the personality of their particular city. They howl in protest when a well loved landmark is threatened. They are not defending dilapidation, but wherever it is reasonable and even sometimes a little unreasonable, they want to retain the old structures they love—cleaned and repaired by all means, but the same to the last cumbersome stone or useless turret. It isn't age for the sake of age they are defending, or even beauty for the sake of beauty; some of the things they must love are downright ugly. The beauty lies in the memories the landmark suggests and in the character it lends to the city it lives in.

We in America are not alone in our distaste for the "destructive" redeveloper. At the International Seminar on Urban Renewal in The Hague last summer, we heard joking remarks on more than one occasion aimed at the redeveloper, accusing him of planning to tear down and cart away the living memory of the old city and build in its place a monument to amnesia. The city fathers of Amsterdam, for example, spoke for creative renewal that can by-pass and preserve the old things they love and build the new in such a way as to frame the old in harmony. Old landmarks

speak to the character of a city, honor its days with respect, and encourage its future by illustrating the deathlessness of its yesterdays.

There is a second important but much more subtle command the redeveloper must obey, and that is to capture the flavor of the city. The "flavor" is created by the people who live in it, their work, their needs, and in many ways their origin. A great seaport city rides a different pace than the deeply rooted landlocked cities. The flavor of a city is its living personality, its action and vitality, and sudden pools of quiet. The editors of *Fortune* agree that the real way to come to know a city is to get out and hoof it—walk its streets, listen and observe, smell the salt in the air or the dry dust of the distant prairies. You cannot capture the flavor of a city on a drawing board until you have permitted the city to capture you. Even then, there are some who will never do it; they haven't the heart for it. Not everyone can feel that exciting sense of urgency that generates the power of great cities. That's why the editors of *Fortune* ask that city-dwellers guide the hand of redevelopment; they know the sound and color and absurdities that make a city beat out its own peculiar harmonies; they love its power and beauty almost as much as its humor and inconsistencies, but not quite.

They are dramatic people, these city dwellers, and they are quick to respond to dynamic leadership. They know the things that threaten their city. They hate the suffering of its

trapped transient slum dwellers—the gigantic fluid labor market on the bottom rung of the economic ladder—and they will fight to release them. (They have been fighting but are losing ground.) Ironically, the roaring wealth of our economy has made their problem more difficult rather than less. Laborers flow into the cities in increasing tides as production rises to greater heights; the cities are inundated. When we were in the great depression and fear gripped us, we were more responsive to human suffering than we are now. Unfortunately, it seems that when the wealth of a nation is in its flood tide, the conscience of a nation goes into its ebb and carries to silence the voice of human justice. If anything can reverse that foolishness, our commanding cities will do it.

The city is the citadel of our culture, the fortress of our wealth, and the strong right arm of our conscience. History gives us the story of the great civilizations through the story of the teeming cities. Cities reflect the production of each era, the temperament of each era. In the size and shape and sound of the great cities of the past, the people stand revealed. They are the market places where civilizations are bought and sold. They sing the song of man's victory over the jungle; they are the altars where philosophers like Seneca engrave the truth that "God made man into men that they might help one another." And when civilizations die, the decaying city sings the requiem.

Bureaucracy in Western Europe

By ALFRED DIAMANT, University of Florida

THE PROFESSION OF GOVERNMENT. THE PUBLIC SERVICE IN EUROPE, by Brian Chapman. Macmillan Company, 1959. Pp. 352. \$6.50.

IT is not a coincidence that a book by an English scholar, the Senior Lecturer in Government at the University of Manchester, dealing with the public services of continental Europe, should serve to focus most of the "great issues" which agitate American political science in general and public administration in particular. Though much of present day political science and public administration is distinctly American, the discipline and

the practices have their roots in Europe, have been influenced by European ideas, and have, in turn, contributed much to the development of these disciplines on the other side of the Atlantic. It is the emergence of these common trends which make *The Profession of Government* an important and exciting book for an American audience.

Status and Method of Public Administration

The first of the "great issues" illuminated by the present work is that of the status of

public administration as a profession and as a science. On both sides of the Atlantic practitioners have aspired to professional standing and in this pursuit of status have sought to establish public administration as a science. This led the practitioners to a search for a science of management and the academicians to develop principles of administration, such as POSDCORB. The American practitioners came to be greatly attracted by that group of most prestigious European administrative professionals, the British administrative class, while they tended to reject, at the same time, the other great European tradition, that of the administrative lawyers. It matters little whether the search for scientific principles was successful; rather it is important to note that public administration has achieved academic respectability in both Europe and America. American administrators longing for full professional status might well look with envy to Europe where the "profession of government" has been securely established. The public services, to point immediately to Professor Chapman's major finding, "... in all countries have become self-governing, self-administering groups, insulated from outside interference, whether social, political or judicial." (p. 134)

The nature of public administration as an academic discipline, and particularly the study of comparative administration, also come sharply into focus in this book. Is it possible to establish a policy-administration dichotomy? Are there principles of administration, or are these much-touted theorems no more than "proverbs" as Herbert Simon suggested over a decade ago? Furthermore, is it sufficient to study just the administrative structures—as Robert Dahl inquired in 1947—or must we take into account "the relationship between public administration and social setting" and the "historical episodes, traumas, failures, and successes which have in turn created peculiar habits, mores, institutionalized patterns of behavior, *Weltanschauungen*, and even 'national psychologies'?"¹ It has become quite clear that we must take all these factors into account. But we have gone so far in obliterating the politics-administration dichotomy that Professor Dahl has suggested recently, perhaps with tongue in cheek, that

the policy-administration distinction being "widely regarded as *passé* . . . may therefore be due for a revival."²

The question of the scope of public administration remains unsettled while an important new issue has forced itself on the attention of both academicians and practitioners: the comparative study of administration. In the beginning, American and European approaches were far apart, the Europeans considering government administration to be chiefly a matter of legal studies and legal practices. The comparative study of administration has been further complicated by the generally unsettled and unsatisfactory condition of the methodology not only of comparative public administration but of comparative studies in government and politics in general.

It is this unsatisfactory state of comparative government which is the third of the issues so neatly pinpointed by Professor Chapman's book. Traditional comparative government has been condemned as narrow and parochial because it seemed to be concerned only with a few Western political systems, and it has been castigated as not really comparative because it seemed to stick to the country-by-country approach and never ventured into any truly comparative studies. The reformers wanted to cast their net broadly to take in non-Western political systems and, under the influence of Parsonian sociological theory, proposed structural-functional comparisons in place of the "traditional" methods. At the same time it became evident that the difficult problems of cross-cultural comparisons had not really been solved, and some voices were raised pointing out that much remained to be done in the Western political systems.

This concern with methodology led to an elaboration of theoretical models, research designs, frameworks for study, to a self-consciousness about how to do research, so that little substantive study seemed to be going on; as Robert Merton remarked, there were many "approaches" but few "arrivals." In *The Profession of Government*, Professor Chapman has abandoned his own preoccupation with the administrative system of France and has attempted an institutional-functional approach to the public services of Europe. His

¹ Robert Dahl, "The Science of Public Administration," 7 *Public Administration Review* 7-8 (Winter, 1947).

² Robert Dahl, "Business and Politics: A Critical Appraisal of Political Science," 53 *American Political Science Review* 15 (March, 1959).

success with this approach will be examined later, but it is quite apparent that he has gone about his business without any elaborate and self-conscious methodological apparatus.

Last but not least, Professor Chapman has managed to get caught up in that most acrimonious of current debates in political science, the one between traditionalists and behaviorists, and he will have to satisfy those among his American readers who wonder whether it is necessary to start an examination of European bureaucracies with quotations from the *Digests* (and in Latin, at that), and whether it is possible to complete such an examination without a single reference to bureaucratic theory in general and Max Weber in particular.

European Public Service and Its Origins

In four major sections, entitled Composition, Conditions of Service, Control, and Politics and Public, Professor Chapman deals with the development and the present condition of the public service in France, the Low Countries, Scandinavia, Germany, Austria, Switzerland, Italy, Spain, and Portugal. It is difficult to agree with the author's decision to omit all but casual references to British administration, for much would have been gained by a planned confrontation of the British system with those of the Continent. From the scattered references he makes it appears that Professor Chapman finds much to criticize at home, and American readers in particular would have profited from a critical assessment of British principles and practices.

There is a sound reason for tracing the background of European public services to the Roman state, as Professor Chapman does. Roman law is, after all, part of the fundamental tradition of Europe, and Roman institutions, such as the division of government affairs into five basic departments (military, justice, police, finance, and foreign affairs) and the territorial organization which so attracted Napoleon, are an integral part of the European heritage. The American administrator and student may smile contemptuously at the constitution-maker of the French Revolution who began his work by calling for a copy of Draco's Laws, but to the European (and even more so to the Asian and African, as Americans are beginning to find out) the historical

matrix of his institutions is a living element of his everyday existence. For this reason, the historical heritage of absolutism which gave Europe the cabinet, the minister, regularized recruiting for public services, and the centralization of field services must be understood along with the manner in which Europeans struggled with the concept of the transcendent state and the depth of effect of this conflict between Hegelian and positivist philosophers on the nature and standing of the public service.

Throughout the book the author has centered his attention on one part of the public services: the higher service. He has not neglected the clerical, executive, and other services in the European government cadres, but his first concern is with the governing elite corps, such as the *grands corps d'état* in France. Though some of the smaller countries have not established service-wide categories, the most important of the European political systems usually have four major service classes, with entry generally governed by educational level and so by socio-economic status. From the chapters concerned with recruitment and training of this top class emerges Chapman's inclination to favor the continental methods of recruitment and training. Apart from minor criticisms, France's *Ecole Nationale d'Administration* receives top marks in its method of selecting candidates and training them for public service. The German method for training its higher servants—putting the *Referendar* through an elaborate process of on-the-job instruction—is justly criticized for perpetuating the *Juristenmonopol* (monopoly of jurists in the higher service).

As one might expect, European pension systems are more generous than they are in the Western Hemisphere, and the rights of public servants, including security of tenure, are more jealously safeguarded—except in countries like Spain and Portugal.

Central Question: Control

All the chapters dealing with conditions of service seem to make one point: whether for good or for bad, European public services have attained conditions of service "markedly better than those in comparable positions outside the public sector." (p. 178) In addition, as

pointed out earlier, the public service has become self-regulating for all practical purposes. This state of affairs raises what is perhaps the central problem of the present work: control. What controls, if any, external or internal, are operative on these public services?

Chapman examines what one would call internal controls of the public service in the section labelled "Control" and deals with controls exercised by ministers and parliament in the concluding section. It is almost axiomatic with him that judicial and legislative controls over the public service are ineffective and weak and that for the purposes of his study principal attention will be paid to those control devices and institutions which are essentially internal to the public service itself. The two to which Chapman devotes most of his attention are the French *Conseil d'État* and the Swedish *Ombudsman*, both now copied in other countries. In recent years the *Conseil d'État* has received some attention in America and Britain, and its functioning as a supreme administrative court has been widely praised. In a country where the political will is as weak and as intermittently applied as in France of the Third and Fourth Republics, the *Conseil d'État* has shaped French administration through its power as the common law court of all administrative jurisdictions. Less has been known of the administrative side of the Council's work when it passes on draft legislation and advises the line agencies in their day-to-day operation.

The Swedish *Ombudsman* is an administrative controller appointed to a fixed term by the legislature. There is one for civilian affairs, *Justitieombudsman* (JO), and one for military affairs, *Militieombudsman* (MO), who seems to be comparable to a civilian Inspector General of the armed forces. The JO has a small staff which receives complaints about the performance of all administrative services (including the police and civil liberties cases) and helps the JO in his inspection trips. On the spot inspections, according to Professor Chapman, are the most fruitful method for discovering complaints. The JO calls these complaints to the attention of the officials concerned and checks on action taken. In extreme cases he serves as a prosecutor of public officials before the courts. Chapman seems to have no doubt about the efficacy of

the JO and calls him "one of the most effective methods of control yet devised." (p. 41) Finland and, recently, Denmark, have control organs modelled after the Swedish JO. Actually the JO is the parliamentary counterpart of an earlier official (still in existence), the *Justitiekansler* (JK) who is a Crown official serving chiefly as a prosecutor. Apparently the JO serves as an arm of the legislature much like the Comptroller General in the United States.

Three Issues of Control

From Professor Chapman's account of the public services in Western Europe three issues emerge which require a critical examination: the syndicalist character of the public services; the policy-administration dichotomy; and the methods and conditions of control over the public service.

The professionalization and syndicalization of European public services may well have come about "unnoticed" as Professor Chapman suggests, but it certainly cannot be considered an "unnoticed oddity." (p. 297) Rather this development is part and parcel of a much larger secular pattern discernible in all highly developed western societies, i.e., the trend toward increased powers of self-government by organized interests, economic and social as well as political. Though corporatism as an anti-democratic nostrum was almost completely discredited after World War II, the forces which made for the ascendancy of technocratic elites over the political executive and of institutionalized interest groups dealing directly with the technocratic elites over the popularly-elected legislature have continued unabated. These administrative elites, self-governed and self-organized, are only one part of the network of corporate entities—business corporations, trade unions, churches, professional bodies—which, according to some critics of the modern state, threaten to destroy the fabric of traditional western liberties:

It was from a like suspicion and an accompanying fear of civil war that Thomas Hobbes in seventeenth century England made two prophetic observations on the new style corporations. . . . He said they were "worms in the body politic," and that they were "chips off the block of sovereignty." By the first he meant that they were private associations that were taking on a kind of spontaneous

autonomy in their parasitical way of life; by the second he meant that they were no longer mercantile arms of the state, but had taken some of the powers of the government into their own management.³

It would have been well to place the growth of a self-governing public service in this broader framework of corporative tendencies in modern societies.⁴

The handling of the policy-administration dichotomy is perhaps the least satisfactory element of Professor Chapman's performance. His difficulty can be illustrated best by his assertion that "No one expects political decisions to be impartial and rational, but administrative decisions are expected to be so." (p. 268) If we then seek for illumination of this categorical point we discover in another place his sympathy for Dutch administrators who proposed that in the new villages of the reclaimed lands the construction of one school per village would meet canons of economy and efficiency and that therefore people should be placed in villages according to their religious faith. Apparently the "politicians" would not accept this and insisted on mixing the faiths in the villages thus creating the need for more than one school. One wonders whether Professor Chapman takes "economy and efficiency" to be the objectives of administration or the meeting of demands formulated by the policy-making organs of a democratic government. He ends his book with a demand for more popular knowledge of governmental affairs but seems not to realize, at least in other parts of his own work, that if

... the exercise of responsible judgment in the direction of human and social life is of the essence of the whole social enterprise of realizing the potentialities of human existence, then the idea that it would be a good thing if expertly assembled data could be made to displace judgment is at war

with the very purpose and the principal *modus operandi* of a free society.⁵

There is one other point which needs to be examined. Professor Chapman repeatedly characterizes judicial and legislative control of the public service as "ineffective" and "weak". (pp. 196, 212) But it does not follow from this anemic condition of judicial and executive control that one might as well abandon them and rely entirely on internal controls, and especially those exercised by administrative courts like the *Conseil d'État*. I doubt whether Chapman would agree that the present French constitution which Otto Kirchheimer has characterized as the "high-water mark for the ascendancy of the administrative personnel over the political professional"⁶ meets his preference for freedom and popular control. Nevertheless, he is convinced that the *Conseil d'État* is uniquely possessed of "impartiality, intellectual brilliance, common sense, administrative wisdom and experience, and ability to reconcile the interest of efficient administration with the rights of the citizen." (pp. 240-241) It would be difficult to dispute this catalog of virtues, but one is forced to face the fact that the *Conseil d'État* has clearly substituted its own wisdom for that of the line administrators and has become the controller of the entire administrative apparatus. As yet we have no assessment of the consequences for initiative and creativity by line administrators of this detailed control system. Finally, the *Conseil d'État* has imposed its own standards in the absence, and sometimes in spite of, the French political will. It has, in fact, been the "inner check" of the French public service. But can we accept this as a satisfactory substitute for democratic controls?

The Value to Comparative Administration

The picture of the European public service which emerges from this book is quite sharp and clearly outlined. There is a rigid pyramid of public servants in which the lower strata are not too well paid, are dissatisfied with

³ Scott Buchanan, *The Corporation and the Republic* (The Fund for the Republic, 1958), p. 20.

⁴ S. N. Eisenstadt, however, has some comforting conclusions about the ability of bureaucratic elites to perpetuate themselves: "... although the aims of the ruling elites always left their imprint on the institutional structure of their society and shaped its destiny for a long time, in only very few cases were their basic aims successfully and continuously implemented." "Internal Contradictions in Bureaucratic Politics," *Comparative Studies in Society and History* 67 (October, 1958).

⁵ Henry Hart and John T. McNaughton, "Some Evidence and Inference in the Law," 87 *Daedalus Journal of the American Academy of Arts and Science* 64 (Fall, 1958).

⁶ Otto Kirchheimer, "France from the Fourth to the Fifth Republic," 25 *Social Research* 396 (Winter, 1958).

their lot, and are, on the whole, narrow and selfish. At the top of the pyramid is the elite of the "higher service" who control not only the public service but the state itself: "There is now, however, little doubt that it is the higher civil service which represents the state, round which legislatures, ministers, the public and the judiciary revolve." (p. 307)

How does this picture and the data on which it is based fit into the stream of American attitudes about public services and American research in comparative administration? There may be some who will find *The Profession of Government* not "behavioral" enough, but fortunately there is good evidence that studies such as the present one may fit exactly the need for comparative studies in public administration.

In his reply to Morroe Berger on the validity of cross-cultural research with bureaucratic models conceived in the West and in the light of Western bureaucracies, Ferrel Heady

pointed out that "by making the structural aspect central to the concept of bureaucracy, we can provide a conceptual framework on which there is already a substantial measure of agreement and which offers a basis for comparison . . ." He goes on to outline the advantages of not incorporating behavioral patterns into bureaucratic theory and concludes that "bureaucratic theory which defines bureaucracy in terms of essential structural features found in all modern public service systems . . . encourages empirical research . . ."⁷

If this is a fruitful manner of proceeding with research in comparative administration, as I think it is, then Professor Chapman has advanced considerably the common enterprise of research in the structure and the behavior of the public service.

⁷ Ferrel Heady, "Bureaucratic Theory and Comparative Administration," 3 *Administrative Science Quarterly* 523-525 (March, 1959).

The Challenge of Disaster to Administration

By MORTON KROLL, University of Washington

FLOOD, by David Dempsey. Ballantine Books, Incorporated. 1956. Pp. 138. \$2.00, paperback edition, 35¢.

DAVID DEMPSEY'S *Flood* is a dramatic, painstaking account of the effect of the floods unleashed by hurricanes Connie and Diane throughout parts of New England and Pennsylvania in mid-August, 1955. Dempsey contends that the disastrous impact of this massive inundation could have been averted had the people of New England overcome their chronic resistance to federal government action in planning and building flood control dams and reservoirs.

The narrative darts kaleidoscopically from the weather bureau office at Bradley Field (which serves a major part of Southern New England), to a resort in the Poconos, to a young couple about to be married in Southbridge, Massachusetts, to a meeting of the New England Watershed Council discussing—ironically enough—flood control, and so on through an impressionistic cross section of

New England, New Jersey, and Pennsylvania. When disaster strikes and governmental and other agencies come onto the scene, we observe governors, air force units, and municipal agencies all operating at an ever more rapid pace from one crisis to the next.

An informal network of officials and others handled the problems of rescue and the provision of essential services and goods with verve, imagination, and ingenuity. Purpose, for one of those all too rare moments in administration, overrode structure. The Air National Guard, the Air Rescue Service, the Army, the Sikorsky Aircraft Corporation, even the Dominican Republic, came to the rescue, along with a myriad of governmental units. Intricate systems of communication were improvised. Arrangements were wholly *ersatz*, but since anything that helped anyone in this skein of catastrophes was better than nothing, most of the makeshift schemes were effective.

The positive, ingenious, and heroic efforts of many were unfortunately only part of the

total scene. For *Flood* provides, in its proper perspective, a case study of failure, the failure to plan for predictable disaster. The pattern of policy lethargy had been well set in New England.

Catastrophe catalyzes policy development and change, but the atmosphere it creates appears largely ephemeral. In the concluding chapter, Dempsey relates how quickly the atmosphere of intense, unquestioning cooperation evaporated.

After the heroic efforts to survive, just about everyone was dissatisfied. And the basic cause of floods was neglected as men became preoccupied with the problems of rehabilitation. The Red Cross, people complained, was slow in processing applications for aid . . . the Small Business Administration was slower . . . flood insurance was unavailable . . . federal emergency relief to the states was infinitesimal in comparison with need and miniscule in proportion to what had been promised. If the flood was a catastrophe of Nature, the problem of what to do about it was a tragedy of human disagreement. (pp. 118-119)

He follows this with a number of specific illustrations, such as:

On August 23, when the President met in Hartford with governors of the six flood-stricken states, an aid fund from \$75,000,000 to \$100,000,000 was talked about. Half of this amount was to be divided between Connecticut and Pennsylvania. But by the end of 1955, Pennsylvania's \$25,000,000 slice of the pie had been reduced to about \$1,000,000, with perhaps twice that amount being added in work by the Army Corps of Engineers. (p. 120)

But the pendulum may never return quite to its place before disaster. The governors of New England did request \$50 million in federal flood control aid, a crack in the traditional regional lethargy toward this problem. Dempsey reminds his readers, however, that "there are about 16 billion dollars worth of unbuilt dams and levees recommended for eventual construction" in the Northeastern states.

Dempsey's technique is worth noting. He traveled some 2,500 miles in the preparation of his book, working largely from newspaper leads and following up with interviews. Yet he never loses the perspective of the total scene. Similar in some respects to George R. Stewart's *Storm*,¹ a novel of a few years back, the impact of *Flood* is much greater because of its stark documentary quality, its unplotted, staccato unfolding of events and lives in the atmosphere of disaster. This kind of overall tracing a major event, weaving its way through the social complex, putting governmental policies in a more general perspective without losing sight of basic programs, decisions, groups, and personalities, offers interesting possibilities as a medium for the research scholar and journalist alike. As a case study, *Flood* is also a fine device for public administration and public policy instruction. It illustrates not only the challenges and consequences of disaster to administration, but the complexities of decisions and broad public policy issues.

¹ George R. Stewart, *Storm* (Modern Library; 1947).

Balanced Budgets: Semantics, Accounting Methods, Moral Coloration

A conservative British budget-maker is not the slightest concerned about a balanced budget as such. He conceives the budget as an instrument for manipulating the economy. [The British budget] is divided into two parts—current expenses and "capital" expenses for loans and other items that will pay for themselves over the long run. Britain consistently runs a surplus in its . . . current-expense budget. Equally consistently, she runs a deficit [in the other]. . . . Partly for this reason, headlines and discussions in Britain seldom stress whether, and by how much, the overall budget is in deficit. The big difference between the two countries is in budget semantics, plus accounting methods. Add also the moral coloration of American discussion on the subject and the results are different traditions.

—Edwin L. Dale, Jr., *New York Times*, April 20, 1959

Developments in Public Administration

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To Avoid Conflicts of Interest

New York City this summer passed "the toughest ethical code in the United States," in the view of the city council majority leader. It was based upon a study by the council's Committee on Ethics and Standards (released February 3, 1959) and was begun after one councilman was found to have been on the payroll of a firm for which he had introduced legislation and another had been paid to represent a firm before a city agency. Since the report, it was discovered that the vice chairman of the Mayor's Committee on Slum Clearance—an unpaid position—was head of a bank which made loans to urban renewal sponsors, who are selected by the committee. All three of these actions would be punishable under the new code, according to the majority leader.

No employee—paid or unpaid—can do business with his own city agency or represent private parties either directly or indirectly in matters involving his own agency. No *paid* employee may appear in behalf of private interests before *any* city agency except that councilmen may appear as an unpaid service to constituents "or in the performance of public or civic obligations" or as an incidental part of service performed on a retainer. For two years after leaving public service, both paid and unpaid employees may not represent private interests before public agencies on matters on which they dealt when public employees.

(Note: the word "employee" will be used here to include public officers, including legislators.)

On the other hand, possible snares of the innocent were eliminated in freeing from prosecution an employee who receives a gift from a person having business with the city if the employee could not be expected to know the donor had city business. Also, the committee allowed employees to retain a share in a company doing business with the city or in a firm representing such a company as long as that part of the business is insubstantial and the employee does not benefit from it.

When an employee is asked to advise the mayor or council on legislation relating to a private interest or when a councilman takes part in a debate or vote on such legislation, he must disclose his interest.

To continually define border areas, a Board of Ethics will be established to consist of the corporation counsel and city personnel director and three public members appointed by the mayor. Employees can refer ethical questions to the board whose advisory opinions would gradually add to the code's interpretation.

Wide Study of Conflicts

In recent months, studies of conflict of interest regulations have been made by or for two subcommittees of the House of Representatives, a committee named by the Minnesota governor, a New Jersey legislative committee, a Honolulu mayor's committee, and the Thomas Skelton Harrison Foundation of Philadelphia.

(Special Subcommittee on Legislative Oversight, House Committee on Interstate and Foreign Com-

merce, *Independent Regulatory Commissions*, House Report No. 2711, 85th Cong., 2nd Sess. (1959); Staff Report to the Antitrust Subcommittee, House Committee on the Judiciary, *Federal Conflict of Interest Legislation*, 85th Cong., 2nd Sess., Parts I, II (March 1, 1958) Parts III, IV, V (December 30, 1958); Minnesota Governor's Committee on Ethics in Government, *Ethics in Government* (January 4, 1959); New Jersey Legislative Commission on Conflicts of Interest, *Report* (December 31, 1957); Gerald Broker and Lewis Kates, "Conflict-of-Interests of Government Personnel: An Appraisal of the Philadelphia Situation," 107 *University of Pennsylvania Law Review* 985-1026 (May, 1959-).

These studies have been initiated because of apparent misbehavior but also because some laws already appear too tight to allow many capable persons to serve their government. Those seeking looser restrictions—as much as those seeking tighter—aim at preventing corruption, arguing that the ultimate assurance of honest government is honest and efficient personnel (efficient because it is the dilatory and slipshod process that invites corrupt practices). In addition, they argue, broad laws invoking criminal penalties have not been enforced because they are too severe.

Weapons and Their Targets

Three weapons must be combined, these studies suggest, to steer between too harsh and ensnaring restrictions and too loose and inviting ones: (1) criminal statutes, but only covering instances which are very likely to cause conflicts; (2) broad codes of ethics, adapted to each agency, to be interpreted by independent boards and enforced by administrative discipline, and (3) laws requiring disclosure of private interests that might—but might not—involve conflicts, allowing the public and interested parties to watch for self-dealing but not depriving the government of a potentially valuable official.

Two types of conflict of interest must be prevented: overt and subconscious, the Philadelphia study notes. Different weapons are appropriate for each, but few governments suit the restrictions to the target, the authors contend. For example, a government official might exert strong subconscious pressure on administrators even of another agency by representing a private party before them. This is particularly true if an official, acting in his private capacity, represents a client before an

administrator who later may represent a client before him. Conflict-of-interest laws should prevent this, the authors argue.

On the other hand, it is not necessary to prohibit a businessman from selling to one government agency because he is an employee of another. His only influence would come from deliberate pressure based on his power outside the administrative organization, e.g., in politics, and therefore should be handled by a different type of legislation.

What percentage of ownership by a public employee in a firm doing business with the government might cause a conflict? (In other words, how much anticipated personal gain does it take to arouse self-dealing?) Neither courts nor legislation has stated clearly, the Philadelphia study notes, recommending that statutes set a percentage of ownership in a firm that would constitute a conflict, even though they leave a loophole, so that public employees know where they stand.

The Philadelphia study finds codes of ethics more serviceable in many ways than criminal laws because their scope can be broader, covering types of self-dealing which more precise criminal laws cannot touch, and providing lighter penalties more likely to be enforced. Even codes, however, might eliminate from public service the person whose profession or business provides expertness the government needs, for example for advisory committees. While there is real danger of conflict of interest here, disclosure of possible conflicts may be sufficient protection. With disclosure, however, comes danger of an opposite bias—leaning over backward to avoid any appearance of self-dealing.

House Committee Conclusions

Among conclusions of the House subcommittees are these:

House Interstate and Foreign Commerce: Making better appointments to regulatory commissions is "one of the most effective steps" to be taken. Pay should be high enough so the position is not looked upon as a stepping stone, since possible or actual job offers from regulated firms might influence. Congress should provide more oversight and "more precise standards" in regulatory laws. There should be more opportunity for judicial review, "more respect . . . for . . . due

process of law" by administrators, and less reliance on the regulated industry for information. Codes of ethics should be provided for all agencies. Much of the testimony related to secret pressures brought by one party in both rule-making and adjudicatory proceedings of regulatory commissions. Secret *ex parte* dealings on pending matters should be prohibited.

House Judiciary Committee: Both a more specific code of ethics to be enforced administratively and a revised criminal law on bribery and conflict of interest are needed. The proposed code calls it "improper" for administrators "to become unduly involved, through frequent or expensive social engagements with any person outside the Government with whom he transacts business on behalf of the United States or whose interests may be substantially affected by his performance of official duty." It also: would prohibit an employee from participating in contract negotiation with or regulation or investigation of a person with whom he has been economically associated within the past two years or with whom he has pending negotiations concerning economic interests; would prohibit an ex-government employee, including a retired military officer, from participating in a transaction on the side of a private interest in which he earlier participated for the government; and, within a period of two years after leaving government, prohibit his dealing on any matter with his former agency. (A subcommittee of the House Armed Services Committee also has been holding hearings on this problem as it relates to retired officers.) Emphasis in this report was on "social seduction."

Infinite Variety of Potential Conflict

Among unusual or especially stringent proposals of the other committees are:

Minnesota: Would prohibit employment of a person whose private relationships might induce him to divulge confidential government information; would prohibit a public employee from associating with a firm that does business with a firm which is regulated by the state (as well as associating with a firm which itself does business with the state); would require the employee to file a statement of relationship if a firm with which he is associated is regulated by the state; would re-

quire elected and appointed officers to file statements of income of more than \$100 per item, including travel expenses in connection with a speech.

New Jersey: Representation of private parties by public employees before eighteen named agencies and in condemnation proceedings is proscribed. The criteria for selecting the agencies include: the degree of direct state interest in the agency's proceedings (as opposed to matters in which the state judges between private parties), the amount of discretion allowed the administrator, and the probable public reaction, which is "perhaps the most important test."

A hint of the infinite variety of potential conflict of interest is indicated in some British and Indian regulations. As far back as 1868, a British Treasury circular stated that "serious pecuniary embarrassment, from whatever cause" was regarded as "necessarily . . . impairing the efficiency of a public servant." Civil servants of the Indian state of Bihar must have the government's permission to permit dependents to accept employment with a private firm having official dealings with the government. Indian civil servants may not "participate in proselytising activities." Hyderabad officials must obtain government approval to loan money to any person owning land within the limits of his authority. ("Memorandum: Conflicts of Interest among Government Officers and Employees in Great Britain," prepared for the New Jersey study; 3 *IIPA Newsletter* 2, 5, 6 (April, 1959).)

Authority and 'Democracy' in Organizations

". . . The military despite its rigid hierarchical structure, has nevertheless been forced to modify its authority system from domination and rigid discipline to more indirect forms of control, as have other types of bureaucracies," writes Morris Janowitz, professor of sociology at the University of Michigan. ("Changing Patterns of Organizational Authority: The Military Establishment," 3 *Administrative Science Quarterly* 473-493 (March, 1959).)

Among reasons for the transition are changing conditions of warfare, in which the initiative and discretion of the individual soldier or his primary group are paramount, and the

higher technical demands and more complex division of labor involved with modern weapons.

The transformation can be seen in every phase of organization behavior—for example, the narrowing of the differences in privileges, status, and even uniforms of the enlisted man and the officer, the development of conference techniques of command from the smallest unit to the Joint Chiefs of Staff themselves, or the rewriting of military law into the new Uniform Code.

Similar tendencies existed in the Wehrmacht, apparently showing that they are a product of organizational need rather than democratic philosophy.

This trend away from discipline-enforced orders toward influencing behavior of subordinates by persuasion, group decision-making, and emphasis on goals, meets resistance, caused partly by the clear need for close coordination in warfare, by the difficulty of training officers in the techniques of indirect control and leadership, by the gap between formal regulations and "informal realities of command," and by the "conservative ideological and political orientation" of the military elite "which often is alarmed by . . . the new requirements of military authority."

What might emerge from this clash between the old authoritarianism and the new group-centered leadership pattern, Janowitz speculates, is a fraternal (or "older-brother") system in which the formal hierarchy would be accepted but "from the highest levels of the organization down to the very bottom, technical and interpersonal skill plus group loyalty qualify subordinate personnel for effective but circumscribed participation in the decision-making process."

In such a system, orders would be explained, the promotion system would be open, and marks of respect such as the salute would be given the individual rather than the rank. This system can produce a new public impression of a military career—managerial and therefore respectable. It also can reduce conflict between the citizen-soldier and the career soldier.

Changing Concepts of Human Relations

Human relations ideas for large organizations have modified considerably since they were stated in the first flush of enthusiasm fif-

teen to thirty years ago, an industrial relations expert observes. (William H. Knowles, "Human Relations in Industry: Research and Concepts," 1 *California Management Review* 87-105 (Fall, 1958).)

"Human relationists no longer hold out the hope of developing an exact science of human behavior and social organization. . . . Some human-relations specialists now tend to go to the other extreme and proclaim that true understanding of human behavior is subconscious, subjective, and non-rational rather than intellectual."

Motivation now appears more complicated than it was thought to be; its study "has yielded little of use to management. . . ."

Discovery of informal organization "at first led many human-relations experts to deprecate the importance of a conventionally drawn table of organization." They now realize that formal organization is important both for production and for good personal relationships, but a new theory of organization seems needed to fit human relations ideas.

There are now more attempts to adjust the work situation to the worker rather than the worker to the organization. (The new stress on the individual's needs, however, has been attacked as giving insufficient attention to the goals of the organization.)

More care has been given to recognizing the value judgments that creep into studies; however, in many recent studies, ethical judgments have frankly been injected, for example in recent concern for the mental health of organization participants. Earlier study ignored what went on outside the work place, feeling it was not related to the job. "Most human relationists today . . . argue that the goal of human relations is to develop individuals who can be effective in many groups."

Early efforts to develop techniques of manipulating people (rather than simply ordering them as in prehuman-relations days) are now seen as morally wrong and ineffective, though manipulation probably is acceptable sometimes.

Conflict cannot be solved simply by better communication, we now recognize. There are real differences and it is good to have them. Human relationists are now investigating nonverbal communications of subconscious, vaguely-felt emotions.

Basic Human Relations Ideas

Today, according to Knowles, human relations thinking is based on these basic concepts:

1. Individual personality, the primary group, the whole organization, and the entire culture affect each other. The complexity of these interrelationships explains why it is hard to change an organization from the top. We know that a change in a person's primary group does change his personality, that the values of the primary group affect the individual more than do the values of the whole organization, and that it is easier to change the attitude of the whole group than of only one individual in it.

2. The authoritarian personality (who is emotionally unstable, represses facts that are contrary to his beliefs, is insensitive to others' feelings, and thinks in stereotypes) "is common in American industry and a basic cause of much conflict and misunderstanding." In addition, the usual business organization has an authoritarian pattern which completely negates the now common efforts to build effective work teams by training supervisors in a democratic leadership style. Decentralization is appropriate for human-relations centered organizations, with the organization looked on as a series of interlocking groups. Administrative control should be restated as the maintenance of communication among groups; the supervisor's main role should be spokesman for his group and assuring an effective work team that sets its own goals.

3. A feeling of isolation, uncreative work that emphasizes material incentives, and typical working conditions tend to frustrate people, causing aggressive behavior. This frustration in one member can infect a whole group.

4. Training for better human relations must do much more than increase understanding or even change attitudes—nothing less than changed behavior will succeed. Lectures may actually increase resistance to change. Training for human relations should increase self-knowledge, sensitivity to others, and respect for individual differences. It should convince that kindness is not a sign of weakness and present human relations problems as illnesses needing treatment rather than misbehavior requiring discipline. Appropriate training methods are: discussion using group

psychotherapy techniques, psychodrama (acting out problem situations with participants playing several roles), training in nondirective counseling (guiding another to define his own problem and find the solution—which is part of the style of democratic leadership), and study of cases.

(Relevant findings on small group behavior are discussed on page 149.)

Are We on the Right Track?

Most of the knowledge we have is based on four major studies, Hawthorne Western Electric plant, Harwood Manufacturing, Glacier Metal, and the University of Michigan Survey Research Center studies of Prudential Insurance, Detroit Edison, Baltimore and Ohio Railroad, and International Harvester. Although "a growing body" of smaller studies "seem to support the original findings," we may not yet have a broad enough look, Knowles states. There also has been some criticism of study methods.

More sharply criticized are the values of human relationists: too great emphasis on the group as opposed to the individual and misinterpretation of democracy. In reply, human relationists point out that man always has identified himself with groups—indeed, primitive man did not think of himself as an individual at all. Furthermore, work more and more involves interrelationships. Not favoring groups per se, many human relationists seek "groups which can cooperate on common problems without first demanding proof of kinship or loyalty oaths." As to organizational democracy, many human relationists recognize the need for "firm, directive leadership" at times.

Some Observations of Practitioners

Looking at motivation and human relations as they are widely observed in organizations, in addition to what is known through experimental findings, the Director of Organization and Procedures and the Personnel Director of the Port of New York Authority see several factors not considered in the behavioral science studies summarized by Knowles. (Harvey Sherman, "Improving Performance by Better Motivation of the Public Servant—United States Experience," mimeographed background paper for the 1959 congress of the In-

ternational Institute of Administrative Sciences; John D. Foster, "Staff Morale," 6 *Administration* 314-331 (Winter, 1958-59).)

Sherman emphasizes the importance of fitting the right man to the right job for proper motivation, pointing to a recent study that urged greater reliance on self-selection. Though recognizing the key role of the first line supervisor, both men stress the importance of top leadership in setting a tone and pace—not simply a nonauthoritarian atmosphere as mentioned by behavioral scientists. Foster talks of the aesthetics of work "which has been totally ignored by administrators," satisfactory performance in harmony with others, which satisfies participants as well as clients. He also notes the deteriorating effect on personnel when the wrong man is appointed to a leadership position—not simply the effect of his poor leadership but also of his selection.

Sherman goes into some of the effects on the shape of the organization when human relations ideas are accepted: a shifting of units grouped by process (e.g., accounting, law) into units organized by purpose and enlargement of the span of control resulting in a flatter organization. He also notes that "there are more and more instances where job enlargement—i.e., re-designing a process so that each employee has more and a greater variety of tasks to perform—has renewed the interest of the employees as evidenced by greater production, reduced turnover and absenteeism, and fewer grievances." The worker often is given wide leeway to make of the job what he can. Foster emphasizes some earlier "principles" of organization—providing clear lines of responsibility and interrelationships.

Both Sherman and Foster give considerable space to rewards and punishment, though Foster argues that it is the group's standards of fairness that must be followed. Sherman more cautiously reports that "there is no general agreement on the value of disciplinary action as a method of motivating the low producer." As to rewards, however, Sherman points to the importance of avenues of advancement and of special recognition of outstanding performance through financial and nonfinancial awards.

Both argue strongly for consideration of "a most elusive motivating factor, but a very real and important one—the pride which the em-

ployee takes in his agency," as Sherman puts it. Important in achieving agency pride, he finds, are leadership, belief in the organization's program, identification of the employee's professional status and interest with the agency's, solid achievement by the organization, public recognition of its success, consistent policies, and tradition.

Satisfaction and Productivity

The satisfied worker may not be the high-producer, several recent studies show. Three researchers of the Harvard School of Business Administration recently investigated a single work group intensively and suggested some reasons why not.

Primarily, happy workers (at least in the group studied) drew their satisfaction from belonging to the informal group. "The workers and not management are dispensing the powerful rewards and punishments that determine productivity and satisfaction of its members." It was the unhappy worker, excluded from the group and hostile to it, who broke the production norms set by the group.

Speculating on the reasons, the writers suggest that we have built the economy to the point where subsistence has been satisfied. The worker now seeks satisfaction of higher needs, but management's methods of motivation are still based on subsistence. Workers now want friendship and belongingness from their work. With different organization and motivations, the writers suggest, the worker could be stimulated to even higher strivings—recognition and status, or higher yet—self-fulfillment. This probably would involve re-educating the worker as well as reshaping the organization and its methods. (A. Zaleznik, C. R. Christensen, and F. J. Roethlisberger, *Motivation, Productivity, and Satisfaction of Workers* (Harvard University Graduate School of Business Administration, 1958).)

The authors urged managers to change their point of view about workers—about their willingness to work and what they want from a job. What is this point of view?

Of 114 business firms surveyed by the Bureau of National Affairs last year, 9 out of 10 spokesmen believed that human relations programs have an effect on productivity. But

what these programs are is obscure since the spokesmen list as specific techniques used to increase productivity: improved selection (88 per cent), better working conditions (84 per cent), human relations training for supervisors (76 per cent), job simplification (63 per cent), use of communications media (59 per cent), suggestion systems (41 per cent), job enlargement (38 per cent), job rotation (37 per cent), and profit-sharing (14 per cent). Job simplification and better selection were deemed effective in increasing productivity by most respondents (92 per cent); suggestion systems by fewest (44 per cent). However, among those using job enlargement, 92 per cent felt it effective and 70 per cent of those using job rotation called it effective. These executives recognize that workers set standards in their own informal groups, but a vast majority feel these groups can be used to increase productivity. (Condensed in "Raising Employee Productivity," 48 *Management Review* 29-31 (February, 1959) from *Personnel Policies Forum* (December, 1958).)

New Scientific Knowledge: How to Keep Up?

"Behavioural research has a great potential contribution to make to modern society. . . . Why, then, is this potential not more fully exploited?" asks Samuel P. Hayes, Jr., director of the Foundation for Research on Human Behavior. The Foundation's major function is translating behavioral science findings into business and governmental application. (Rensis Likert and Mr. Hayes, ed., *Some Applications of Behavioural Research* (UNESCO, 1957).)

Behavioral scientist Harold Guetzkow observes that the conversion of scientific theories into practice requires a "social engineer"—middleman between the behavioral scientist and the practitioner. He suggests that the intellectual tasks in making the application of basic knowledge in the behavioral sciences are considerable, requiring much skill.

Since it is in its infancy, behavioral science may not have a theory that fits the situation directly or there may be a choice among several theories that look equally relevant. In approaching a situation in which behavioral science research might be applied, it is necessary first to identify the key elements (the variables) which may be manipulated to bring

about desired change (or which must be kept stable to keep the status quo). For example, where a committee continually fails to agree, the relevant variables might be the orderliness of the committee process and the extent to which participants seek personal gratification (status, personal dominance, etc.) from the conference process. Then, the relative importance of these elements in the specific situation must be estimated, so that the generalizations may be applied to the particular instance.

The practitioner may find it difficult to apply behavioral science theory directly because basic knowledge is lacking, e.g., how a particular independent variable (the personal needs of the group) will affect a well-defined dependent variable (group agreement). On the other hand, the scientist sometimes finds it difficult to apply his work directly because his methods seldom are simple (and cheap) enough for an applied task. ". . . experts needed for using knowledge are different from those needed for its discovery." Thus the need for a well-trained, sophisticated middleman. ("Conversion Barriers in Using the Social Sciences," 4 *Administrative Science Quarterly* 68-81 (June, 1959).)

Complementing Guetzkow's treatment of the intellectual barriers Mr. Hayes suggests human reasons for the delay in applying behavioral science findings to organizational problems. Administrators, he writes, do not seek such findings and producers do not effectively promote their use. Administrators are reasonably satisfied with things as they are and sometimes resist objective study of their work. They do not understand research findings sufficiently to perceive their applicability nor research methods sufficiently to suggest their use on organizational problems.

Scientist-practitioner partnership in defining problems, reviewing research results that might be used, and developing research projects can break many of these barriers, Mr. Hayes asserts, and such practitioner participation helps to encourage the administrator to make the changes research suggests. University courses on scientific method for business and public administration students, conferences and institutes and professional association activities also help to break the barriers, and consultant firms in various fields "play a major role in disseminating understanding of behavioural research and in promoting utili-

zation of research methods and research findings."

The Foundation for Research in Human Behavior particularly emphasizes small group meetings (up to about 25 persons) of scientists and administrators to increase the demand, the skills, and the means for using behavioral research in organizations. Research has shown that "effective communication, especially between groups having different backgrounds and methods of working, requires more than the printed word and more than the traditional lecture presentation." These meetings start with operating problems and go on to suggest relevant research. By 1957, 150 businesses (and some government units, universities, and unions) had sent representatives to these meetings; more than half the firms sent representatives a second time.

How the Doctor Keeps Up

Even where the application of scientific research has become routine—in medical science, doctors have trouble applying findings of research, a recent *New York Times Magazine* article points out. ("Doctor's Dilemma: How to Keep Up" by Leonard Engel (June 7, 1959, p. 39).) The problem, in part, is the same as the administrator's: a growing volume of new knowledge related to his work, complicated by the fact that much of it lies in specialized fields in which he may not have much background. In addition to journal reading and conferences, doctors seek to keep abreast by working in teaching hospitals where each case is completely analyzed as a "demonstration case" and where they can work with and learn informally from young residents, skilled specialists, and the hospital staff. "The clinic is a constant reminder of how medicine ought to be practiced," one doctor explained to the author.

"... the educational activity considered most useful by physicians—especially physicians with little opportunity to work in teaching hospitals—is the post-graduate 'refresher course' of one to two weeks.

A study of the adoption of a new drug by doctors in a small city indicated that apparently many doctors learn from each other, a small number receiving new ideas from outside through conferences, journals, or drug publications. There is some indication that in

a conservative group, the social leaders (as indicated by a diagram of who seeks out whose company) are not the pioneers of new ideas. (Herbert Menzel and Elihu Katz, "Social Relations and Innovation in the Medical Profession" 19 *Public Opinion Quarterly* 337-352 (Winter, 1955).)

Defining a 'Rule of [Administrative] Law'

Seeking to define a rule of law that would be appropriate for all nations, the International Congress of Jurists (including 185 judges, lawyers, and law professors from 53 countries) last January approved The Declaration of Delhi.

On control of the administrative process, these points were made:

Legislatures must delegate rule-making powers to the Executive, but "the grant of such powers should be within the narrowest possible limits and should carefully define the extent and purpose," set out proper procedures, and provide judicial review in either regular or administrative courts as well as legislative oversight.

Since judicial review "cannot always amount to a full re-examination of the facts," the administrator should provide "the fundamentals of fair hearing including the rights to be heard, if possible in public, to have advance knowledge of the rules governing the hearing, to adequate representation [generally legal counsel], to know the opposing case, and to receive a reasoned judgment." The administrator should be required to give his reasons for decisions affecting the rights of individuals when requested by the party concerned.

The declaration emphasizes, however, that the rule of law requires effective government as well as safeguards against abuse of power. (*Newsletter of the International Commission of Jurists*, No. 6, pp. 2-4 (March-April, 1959).)

Administrative procedures laws—to balance freedom for government to act effectively with adequate safeguards for the citizen—are under debate now in Switzerland, Italy, and Norway.

In an editorial, the *International Review of Administrative Sciences* sees "an irreversible trend towards the emancipation of the public who need to understand, and be persuaded rather than coerced. . . ." Particularly, the editorial argues against "the secrecy in which many administrative agencies like to work and their failure to state the reasons for too

many of their acts. . . ." 25 *International Review of Administrative Sciences* 3 (No. 1, 1959).)

Both the Norwegian Wold Commission and the British Franks Committee, which recently recommended changes in administrative procedures, urged that the administrator be required to present clearly what lies behind decisions by making background documents public and requiring most decisions to be accompanied by reasons, at least if requested by one of the parties.

Though long traditional in Sweden, the principal that "documents in the custody of an administrative agency are public"—recommended by the Wold Commission—is novel in Norway. Many documents are excluded in Norway, however: "all the working papers and other interior documents of the agency" and any material that might jeopardize the country's security, enforcement of a regulation, a citizen's privacy, or the economic or professional interests of an individual or firm. Nevertheless, three commission members, all public officers, voted nay. (Audvar Os, "Administrative Procedure in Norway," 25 *International Review of Administrative Sciences* 67-78 (No. 1, 1959).)

The Franks committee concentrated on whether the hearing officer's recommendation should be public, deciding—with one dissent—that it should be. Witnesses before the committee who favored its publication held that it would enhance respect for the procedures and would contribute to developing a body of rules that would help citizens predict future decisions. Hearing officer reports of the Ministry of Education and in Scotland, which are public, were cited as evidence that they enhanced respect. Opposing witnesses argued that publishing hearing officer reports would delay proceedings, indicate differences of opinion within the agency, inhibit completely frank reports, give undue prominence to the hearing officer, and give the wrong impression of the importance of his report in the total decision process. (Albert S. Abel, "The Franks Committee Study: A New Landmark," 2 *Canadian Public Administration* 7-18 (March, 1959).)

As to giving reasons for decisions, the Wold Commission recommended that they be provided only when requested by one of the parties to satisfy the party that the decision was correct or provide a basis for his appeal. The Franks committee also felt that reasons

for decisions should be required—to aid the party wishing to appeal, aid the reviewing court on appeal, and encourage better decisions.

Generally, the Wold Commission found present practices in Norway satisfactory but still felt the citizen should have more protection. The proposed remedy "is built upon the same pattern as the American Administrative Procedure Act of 1946" and a 1950 Austrian law.

Anniversary Year: Time of Personnel Action

The 75th anniversary of the U. S. civil service system last year was a time of action as well as celebration. The fiscal 1958 annual report of the Commission notes these major personnel administration steps:

A presidential special assistant for personnel management was named, and some duties of the Civil Service Commission chairman, among others, passed to him. The Federal Employees Training Act was passed.

Recruitment was stepped up, particularly for hard-to-fill positions. Each regional office added a Recruiting Representative and headquarters added a Director of Recruiting. The Federal Service Entrance Examinations were opened to college juniors. Permission was granted to use paid advertisements and nonprofit employment agencies to fill shortage positions, to pay moving expenses for those hired to fill shortage positions, and to pay travel expenses of college faculty members to visit federal agencies.

Planning began on the Career Executive Program.

A campaign for improved employee relations was inaugurated by the President's personnel assistant, who requested each agency to evaluate its employee relations and instructed the Commission to report periodically on agency activities.

More uniform promotion policies were outlined by the Commission, emphasizing broader recruitment for jobs and selection of the best qualified rather than simply a conveniently-located person who is minimally qualified. Agency promotion pro-

grams based on these guide lines went into effect in 1959.

Interchange of personnel was eased between special federal merit systems covering the Tennessee Valley Authority and Atomic Energy Commission and the civil service. Also transfer or temporary service with international agencies was made easier, with re-employment rights and retention of federal fringe benefits.

Publications of new standards on which position classification, job qualifications, and tests are based was sharply increased and the coverage of some standards was broadened, bringing under control a chronic backlog of needed standards.

Public relations for the public service took first place in the report. In addition to special

commemorative events and spot publicity on the merit system, four booklets were published by the Commission: *Biography of an Ideal*—a brief history of the federal civil service, a study unit on civil service for high schools, a community relations guide for federal agencies, and a selection of Theodore Roosevelt's letters on the merit system. In addition, a President's Award for Distinguished Federal Civilian Service was given for the first time to five career servants.

Public service prestige also was emphasized as perhaps the major public personnel problem in 75th anniversary statements to last fall's Public Personnel Association conference by New York State and New York City civil service commissioners. The state and city spokesmen and federal report also emphasized a growing decentralization of personnel activities to the line agencies.

ACROSS TIME AND SPACE

AMERICANS puzzle over whether the administrative experience of a democracy like the United States can be helpful to newly developing countries—particularly those with but one party and one leader, with an army, police, and bureaucracy that not so much serve the government as create and shape it, and with a landed elite whose wealth, education, and traditional political power set bounds to reform programs.

A tentative answer is affirmative. One of every nine copies of the *Public Administration Review* goes overseas, to foreign individuals, libraries, and institutions and to Americans stationed abroad, many serving as public administration advisers to foreign governments. The copies arrive and, we trust, are read not only in England and in western Europe, but in the Soviet Union and Portuguese East Africa, in Greece and Nicaragua, in Iraq and Cambodia, in Yugoslavia and Egypt—indeed, in fifty-five countries. The basic point finds confirmation too in the wide circulation deservedly enjoyed by the *International Review of Administrative Sciences* and by our British and French counterparts, *Public Administration* and the *Revue Administrative*.

Public administration is of concern wherever men attempt to organize governments. It has been of concern throughout history. For many centuries the central responsibilities and the great departments of government have shown remarkable constancy: external security (foreign affairs and national defense), internal order (police and justice), public finance (tax collection, debt management, and financial control), and public buildings, roads, and communications (public works and postal service).

Across contemporary national boundaries and backward through time, both the elementary "housekeeping" problems and the complex problems of organizing power and influence recur. The mail has to be answered and records kept. Office space must be found for a growing bureaucracy. Central officials need ways to find out what goes on in the field.

Revenues must be collected, loans floated, and expenditures planned. Methods have to be systematized for keeping lower officials (at least) from appropriating to themselves part of the public funds. New blood must be infused into stodgy or hostile groups of officials. Private citizens' appeals and complaints need to flow to higher levels of the hierarchy. A growing volume of work brings pressure for delegation, but prudent rulers balance this need against the hazards of departmental and provincial autonomy.

What is striking is that these are problems we keep working at in highly developed democracies, and they are as well problems of the Buganda Kingdom in Africa, of the young republics of Vietnam and Indonesia, of Imperial Rome, of Charlemagne's empire.

Though problems are similar, solutions often vary. Institutions and methods cannot be freely transplanted from one country to another that has a different set of values, traditions, political forces, and economic tasks. Rather, what is transferable in administrative experience is an identification and anticipation of problems and their interrelations, a knowledge of how these problems have been attacked and with what consequences in many nations and at many stages of history, and a sense of what portions of this experience have greatest relevance to specific settings in today's world.

The canvassing and ordering of man's administrative experience is a task we have barely begun. The growth of technical assistance programs, the scholarly interest in comparative public administration, and the discovery of the uses of administrative history have opened doors too long closed. Though oriented toward distant lands and other times, these new developments will enrich American public administration itself. This *Review* will hope to contribute to the enlarged perspective.

JAMES W. FESLER
Editor-in-Chief

ASPA'S CHALLENGE—BALANCE OF DIVERSITY

LIKE SWEDEN, as described by Marquis Childs some years ago, ASPA seeks a "middle way"—an avenue along which public administrators can move in concert toward greater understanding and effectiveness of governmental management. The intermingling of line and staff, of federal with state and local, of activist and scholar, of men from many specialties, of administrators from every state and many countries is a vital force. This mixture inspires the exchange of ideas, the development of wider insights, the identification of the "general" in contrast to the "special," the growth of public administration as a profession.

With administrative universals as its theme and the administrative universe of government as its clientele, ASPA is moved toward balance in all its interests and activities. This drive toward equilibrium is a continuing test of decision-making, priority setting, and cooperative leadership. The balance sought is no static thing but rather a moving equilibrium toward higher professional standards, greater management efficiency, and better understanding of the administrator's role in public affairs.

Focus. Substantively, ASPA maintains balance through dealing with administration from various angles. Central concern with the executive tasks of government requires attention, for example, to intergovernmental relations, administrative communication, program development, organization and systems, the dynamics of power, finances and personnel, and managerial leadership. Overriding emphasis on one or several of these subjects, all cutting through the whole of government, would distort the Society's purpose.

Approach. As in substance so in method, the Society works simultaneously along several channels. Exchange of experience, research toward new insights, public presentation of the administrator's role, analysis of administrative issues pro and con—all these are but some of the ways in which ASPA advances knowledge, skill, and satisfaction in the executive arts. In fact, the Society should utilize the entire range of professional relationships.

Program. Specific ASPA activities are similarly multiple but interrelated. Conferences and institutes, the *Review* and the *News*, the Education and International Committees, the Personnel Exchange

and news releases, for instance, serve integrally but differently the cause of generalist public administration. Meetings, publications, committees and information services must be kept in equilibrium.

Finance. Here also the need is strong for balance through variety—for reliance on several sources of support rather than dependence on one. Membership and subscription income—itsself from thousands of individuals and organizations—must be complemented by revenues from meetings, agency affiliation, sale of services, and (where possible) foundation grants. This plural financing is in keeping with a varied program and, though administratively difficult, carries greater strength long run than would a narrow (even if deeper) base.

With this dominant characteristic of balance, in both purpose and operation, ASPA tends toward the reasonable rather than the extreme, the educational rather than the mandatory, the steady rather than the sudden, the logical rather than the capricious. Its tone is more that of the town meeting or the interdepartmental committee than the military organization or tightly held business.

This *sine qua non* of balance makes strong demands on the Society's leadership. Such executive touchstones as authority commensurate with responsibility, fixed priorities, one-thing-at-a-time, and unitary chain-of-command are applied with grains of salt in this many-sided organization. Also, the very moderation which is ASPA's strength could easily become its weakness—manifested perhaps in diffusion of energy, emptiness of belief, lack of ardor, or drift rather than direction. To be general and balanced, and yet purposeful and vigorous—that is what the Society requires.

That ASPA has met this challenge, in chapters and committees as well as national offices, is attested by the organization's continuing growth. This record, and the value of the purpose served, give confidence that the great test of the moment—the Society's transition to financial maturity—will be met in balanced fashion consistent with the association's essential character.

ROBERT J. M. MATTESON
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